

Future of Asia Podcast

# Can ASEAN maintain its growth trajectory in a post-COVID-19 world?

ASEAN has always been on an upward-growth trajectory, but how has COVID-19 affected the region?



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**A driving force in Asia** after several decades of strong and sustained economic growth, members of the Association of Southeast Asian Nations (ASEAN) make up almost half of the world's best-performing developing economies. ASEAN is home to eight of 18 developing economies that averaged at least 3.5 percent annual per capita GDP growth over 50 years. In this episode, we discuss the opportunities and challenges for emerging ASEAN in a post-COVID-19 world and what companies should do to thrive in this region. An edited transcript of the podcast follows. For more conversations on the future of Asia, subscribe to our podcasts on McKinsey.com.

**Oliver Tonby:** You are listening to the *Future of Asia Podcast* by McKinsey & Company. I am Oliver Tonby, your host and chair of McKinsey Asia. In this series, we feature leaders from across the region to discuss the forces, the opportunities, and the challenges that are shaping the future of Asia.

Welcome everybody to the *Future of Asia Podcast* series. This episode is about ASEAN and the specific question of whether ASEAN can retain its growth trajectory. I am joined by three distinguished colleagues. I'm joined by Kaushik Das, who leads McKinsey's ASEAN region; by Diaan-Yi Lin [DY], who leads our Singapore location as well as our public sector across Asia; and I am also joined by Joydeep Sengupta, who leads our CEO practice, which includes the Organization and Strategy & Corporate Finance practices. Welcome, everybody. Let me just kick us off on a personal note; we'd love to hear from you about how COVID-19 has affected you personally over the last few months. What are the learnings you've had? Kaushik?

**Kaushik Das:** COVID-19, of course, is a very difficult situation, both from an economic perspective and from a health perspective. But just on the personal side, there have been some silver linings too. I have spent more time at home in the last seven months than I have in the previous 20 years combined. Watching my daughters grow up—which might sound like a perfectly normal thing for most people to do—every day, every evening is a hugely new experience.

**Oliver Tonby:** Thank you, Kaushik Das. DY?

**Diaan-Yi Lin:** I guess a couple of pluses and minuses. It has been challenging not to see family. I have family scattered across the world. We've not gathered since Chinese New Year. So that's been one big challenge. On the positive side, I think working from home has developed a whole new routine, like having meals at home and spending time just at home; and the efficiencies of no makeup, no heels, and spending a lot of time in yoga pants has actually been quite enjoyable.

**Oliver Tonby:** And DY, you are known as a foodie. Have you been able to keep tasting different foods over the last months?

**Diaan-Yi Lin:** Yes, very much so actually, partially because I have been cooking a lot more. When we've been allowed to, we've had friends over, up to five friends over, and that's been good, and we have now become very acquainted with the takeout service of every major restaurant across Singapore. So, COVID-19 has not provided us any excuses in continuing to overeat on occasion. And unlike, I suppose, many of our colleagues, perhaps a lot less activity and exercise.

**Oliver Tonby:** Joydeep, over to you.

**Joydeep Sengupta:** Well, Oliver, it's been a bit of a roller coaster, an emotional roller coaster. Depending on when you ask me this question, I'm either on a high or a low. So typically, my highs have been, clearly like Kaushik and DY, getting to spend far more time at home. I probably spent more time at home in this year than in the last 20. In the talk of compression of years in minutes, I now get to really realize what that means. The other thing I've also enjoyed quite a lot during this time is connecting with many more people than I [otherwise] would simply because of the technology that's available. So those have been some highs. On the lows, to be honest, COVID-19 has touched me in many ways worse than I thought. I learned of personal friends who got it, who've gone through fairly taxing times, and that's been very, very sad actually, and I have felt emotionally drained just looking at their experiences.

At the same time, I think if I look at some of the other things, I begin to now miss, ironically, being with people. I am an introvert, so that sounds a bit weird. Normally, in the olden days, I used to enjoy finding times to get away from people. Now, I kind of feel the longing to be with people. And so that kind of leads me to the conclusion that as human beings we are never satisfied with what we have.

**Oliver Tonby:** Very good. Thank you to all three of you. Let's dig into the topic at hand: ASEAN and whether it can retain the growth trajectory it's on. Kaushik, let me start with you. Why don't you tell us why you are excited about ASEAN in the first place.

**Kaushik Das:** ASEAN, for most people, evokes images of sunshine, beaches, ocean, water, great food, and history. There's a feeling of exoticism around ASEAN. But I would actually argue that there is more to ASEAN than just that, and now is a good time to rethink ASEAN. First, just to start with the numbers, there are big numbers about ASEAN that people often miss: 650 million people, a \$3 trillion economy across the ten countries of Southeast Asia, and robust growth. Come sunshine, come rain,

ASEAN economies have been growing at an average of about 5 percent over the last 20 plus years. It's a young demography that's growing up. But beyond all of that, I think there are other factors that people sometimes miss. One is a leapfrogging population.

So just to give you an example, ten years ago, if you went to Jakarta, very few people even used credit cards. Today, Indonesia is at the forefront of digital-payment systems. It has actually leapfrogged traditional banking, and some of the most innovative payment players are in Indonesia. This is one part of the world that could actually bring together the best of the East and the best of the West. For example, we see American-driven innovation combined with Chinese-driven phenomena—whether it's in banking or in digital platforms—there is potential for ASEAN to borrow and to learn from many other parts of the world, and then to come up with models that work in the rest of the emerging world.

**Oliver Tonby:** Fantastic. Thank you, Kaushik. Let me just ask Joydeep and DY. Do you share Kaushik's enthusiasm about ASEAN?

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**Diaan-Yi Lin:** Very much so. I think there are a couple of angles from which we can look at this. Number one is how ASEAN is coming through COVID-19. If we look at what the governments and private sector have collaborated to do—for example, the large fiscal stimulus—we see many of the governments have put out as high as nearly 20 percent of GDP, in Malaysia and Singapore, but also the collaboration between the public sector and the private sector has worked in terms of tracing during COVID-19, in terms of healthcare provision, and in terms of working together to get economies back up. So I think just their ability to come through COVID-19 is an indication of ASEAN strength. Part of that magic has been, as I said, the public–private organizations working together, but in some cases, we see the beginnings of ASEAN nations coming together and collaborating as well. And I think with that they will emerge much stronger.

**Oliver Tonby:** Go for it, Joydeep.

**Joydeep Sengupta:** I completely share the enthusiasm. Maybe there are two reasons that give me real hope for optimism. I think the first is on the consumer side; what the pandemic has done is dramatically accelerated digital penetration across industries and across sectors. And what that has done is it has brought a whole range of new customers—the new consuming classes, I would call it—into the fold. So consumption is, as you know, one of the biggest drivers of growth. That is one trend, which I see accelerating.

If I look at the other side, there are two macrotrends that are very interesting to me. One is trade flows, and the other is capital flows. When I look at trade flows, despite everything that's happening, if you look at Chinese exports into markets like Thailand, Vietnam, Malaysia, they've gone up significantly. If you look at capital flows, you look at Japanese and Korean capital investing heavily in Indonesia, the Philippines, and Vietnam. So the shifting trajectories of trade flows and capital flows give me a lot of optimism about the long-term benefits to the economies in the region.

**Oliver Tonby:** Thank you. And we're going to come back to some of these things. But I wanted to take one step back first and ask Kaushik: How has COVID-19 affected ASEAN, and how would you contrast that with some of the other parts of the world, perhaps?

**Kaushik Das:** On the whole, I would say ASEAN is coming through better than many other parts of the world, but it's a bit of a mixed story. At one end, there are countries like Thailand and Vietnam, which have actually managed the situation very well. They've gone many weeks without major community transmission. And as much as we can see, companies and people are going about their daily lives in a very normal way. At the other end, we have had the Philippines, which has been very badly affected and has gone through some very restrictive lockdowns and is only now starting to emerge from some of those lockdowns. So overall, COVID-19 has an impact, but ASEAN is doing better than we might have hoped.

Now if we look at government responses across these countries outside of Singapore, and maybe to some extent Malaysia, governments have struggled to provide the kind of stimulus that many of the Western governments have provided. Even in cases where they have provided a stimulus, theoretically, from a budgetary perspective, they've struggled to get money into the hands of the most vulnerable people. So there are risks. Some people are worried about the next three months just in terms of how COVID-19 pans out. Is there going to be a resurgence or not? But for now, things seem to be getting better.

**Oliver Tonby:** Thank you. So let's shift now and start talking about what are some of those opportunities that you see across ASEAN? Let me start with Joydeep.

**Joydeep Sengupta:** In my mind, I touched upon some of those opportunities, but I would say the single-biggest opportunity certainly arises from the shift in supply chains that we are beginning to



see across the world. I don't think it's a one-off; I think it's a fundamental trend break. And I think the shift from focusing purely on efficiency—just in time to just in case—is real for ASEAN. And I think ASEAN is the single-biggest beneficiary, whether it's Vietnam, whether it's the Philippines, whether it's Thailand, across multiple types of manufacturing.

You've seen more recently Apple moving a bunch of its manufacturing capabilities into Vietnam, for example, and I think that's just the first sign of what is to come. So that's one area where I see a significant opportunity in ASEAN. The other thing I would just point to is that one thing, which the pandemic has done is the acceleration of digital in a way that is quite unique, just the scale and speed at which companies are deploying and investing in digital. The single-biggest thing, in my opinion, which held ASEAN back was inclusion. I think we are seeing large groups in many of the fastest-growing ASEAN nations coming into the fold, if you will, whether it's in terms of getting access to finance, whether it's in terms of getting access to

goods and services at cheap prices, or whether it's businesses being able to operate in a very different way and getting access to buyers around the world on platforms. I think these kinds of trend breaks create real opportunities across the spectrum, both from consumers on the one hand to large companies and SMEs [small and medium-size enterprises].

**Kaushik Das:** Joydeep talked about inclusiveness; let me share a story here. About a year and a half ago, we were doing some research across Indonesia, and we had teams in Central Java that were looking at how digital might impact the lives of ordinary citizens. We came across a small maker of wooden dolls. They make animals out of wood at a small roadside stall where they'd be selling a few per week. And then somebody in the family came back from college and set up a small website for them.

And purely out of chance, an Australian retailing company came upon these wooden dolls and ordered a few. And suddenly, there was this

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Australian retailer that was selling wooden dolls made by this small maker in Central Java. Sales took off. It went from a few a week to tens a week, and then to hundreds a week. This Australian retailer started teaching these folks about using better quality paint and getting the right colors that are most attractive to consumers in Australia. Now they sell wooden dolls. So now this small maker of wooden dolls is selling dolls in 16 different countries using digital technology, earning money that they've never earned before.

So just picking up on the inclusiveness theme that Joydeep talked about, digital is democratizing the economy of these countries. It could fundamentally shift power and allow for prosperity in ways that would not have been possible ten years ago.

**Oliver Tonby:** I also picked up from both of you that these are trends that started well before COVID-19. Is that correct?

**Joydeep Sengupta:** These are not new trends. These are trends that existed maybe in the last five, six years; they were building up. But what COVID-19 did is it provided acceleration in a way that is quite unprecedented in terms of speed. And I think that's the big shift that we've seen.

**Diaan-Yi Lin:** Joydeep and Kaushik, we're talking about the acceleration of trends coming out of COVID-19, and how that has led to various economic opportunities. I think there's also another angle here if we look at some of what we would have considered to be more resilience-driven measures. So during COVID-19, how does every country focused on its healthcare system ensure provisions to its population? There was a focus on food resilience: How do we ensure that, now that supply chains and logistics have been disrupted, we can continue to feed and take care of our people? I think there are also many countries that have turned these resilience trends into growth opportunities.

For example, what used to be focused around food security and stockpiling, I think is now being looked at as a growth in agriculture and agtech. So how do we not just think about sufficiency for our people?

Think about technology as being a growth engine, particularly in Indonesia, the Philippines, and Thailand, where land is available and where there's already quite a strong agriculture background. There's always an opportunity to take that to the next level using technology. We've seen countries begin to invest behind that. Similarly, with healthcare, the discussion has moved partly because they've been quite effective beyond just base provision of supporting our population to how we incorporate the use of technology and really scale the provision of healthcare. And this has sparked a whole set of new investments into the health-tech space.

I think it's not just about the positive side of trends that we're accelerating but also about how countries have been quite effective in using these resilience levers and then turning them into growth opportunities.

**Oliver Tonby:** Asia's standing in the world has changed, and it's clear that where the focus once was on how quickly the region would rise, the reality is now all about how Asia will lead.

Now if you look across these trends, what are some of the sectors you would highlight going forward?

**Joydeep Sengupta:** At the risk of stating the obvious, we've seen what we call the "great acceleration" in terms of the bifurcation between sectors that have benefited disproportionately versus sectors that have suffered as an outcome of this crisis. I think what you look at are things like all the sectors impacted by technology: technology companies, e-commerce companies, and healthcare. Many of these sectors have benefited and will continue to benefit disproportionately. On the other end of the spectrum, you look at oil and gas; resource-heavy industries; airlines, of course, and all of the travel industry; financial services, surprisingly, but perhaps unsurprisingly. All financial services have been hit significantly.

And what you find is that the fall in market capitalization of these companies has been anywhere between 40 to 60 percent compared to pre-COVID-19. They've been set back almost seven to

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eight years. If you look at Southeast Asia, for example, they are back to the 2012–13 levels, which means seven to eight years of value creation has been fundamentally destroyed for many of these sectors. The one thing I would just point out, which I find particularly interesting, is even within these sectors—for what you would call the winners and those who are losing out—you do find the big dispersion between companies, and that dispersion has been amplified. So we use the words “great amplification.” And I think that’s a very interesting terminology because when a crisis hits, for the winners and for those who don’t win effectively, the gap widens. This crisis, like others but even more so, has enhanced that amplification significantly. This is true sector by sector, whether a sector is on the positive side of the impact of COVID-19 or on the negative side.

**Diaan-Yi Lin:** Maybe just to pick up on your point around dispersion, I think that it’s most relevant for the sectors in your bifurcation spectrum that are in the middle. So take retail: retailers who were quick to adopt technology, who had e-commerce, who were able to get to the “nirvana” of omnichannels actually allowed themselves to shift a little bit toward the technology end. Those that were completely brick-and-mortar focused and weren’t able to pivot toward adding logistics and delivery were very much closer to the oil and gas end. So the dispersion point, I think, in many ways, is the most important. It’s the one way you escape, or at least leapfrog, the curse of your sector so you don’t have to be completely capped by the feet of your sector.

**Joydeep Sengupta:** It’s a very good point you made, DY, and I’ll maybe just take 30 seconds and amplify that. One, look at the publishing sector. For example, the publishing sector has historically always been driven by advertising revenue, and that’s obviously fallen, but there are other sectors that have shifted their business models toward subscription revenues, getting into new lines. So there are companies in the publishing space that have actually seen their market cap go up by 15 to 30 percent, while the whole sector actually has fallen by 30 to 40 percent. That’s one illustration of people who make that shift, given some of these trends, and are actually benefiting and being rewarded by investors.

**Oliver Tonby:** Got it. Now that we’ve talked about the opportunities, let’s shift and talk about what are some of the fundamental challenges that you see, because the picture is probably not all rosy. Kaushik?

**Kaushik Das:** I think there are a number of challenges that are not addressed adequately; they can lead to massive social unrest. Our research shows 15 million-odd people will be displaced as a result of technological change accelerated by poverty. Indonesia itself might have seven to nine million workers who get displaced from their usual mode of work. Malaysia, Thailand, and Vietnam will all have significant numbers of people in the same bucket. So the challenge is training and reskilling people, SMEs, and micro-SMEs at scale. There is a positive side to all of this. Our research shows that if governments get it right, all this change

can actually create two- or three-times more new jobs as those that get displaced.

**Oliver Tonby:** DY, Kaushik mentioned the role of government there. You lead our public sector across Asia. What are your thoughts on the role of government going forward?

**Diaan-Yi Lin:** I think we'll see a greater emphasis and importance on the role of government. Let me get specific on a couple of points. Number one, every government clearly has to play a big role in healthcare provisions, be it creating the right regulatory environment for private providers or themselves being a provider. And I think that's going to be one role that will definitely continue, if not increase, over time. Secondly, Kaushik had talked about reskilling. There is no way, at least in my mind, that we can get reskilling at scale without some form of support or partnership from governments. They will have to be key players in that—in some cases, as funders; in some cases, as providers; and perhaps more importantly, in

orchestrating the various players to undertake that reskilling process.

For me, those would be two points where we see governments playing an increasingly important role. The third is, I think, governments that use this opportunity to pivot to focus on economic clusters will emerge stronger. So, like companies, where should governments invest? Which are the sectors about which we say, "Coming out of COVID-19, as a country, I've got a competitive advantage, and I want to invest behind that"? I think that will become quite an important role of government moving forward. So those would be my three things that we inevitably cannot run from and we will all expect the government to play a bigger and more important role in.

**Joydeep Sengupta:** If I may just make one point on your question to both Kaushik and DY—one thing, which worries me the most by far is geopolitics. I think we are used to living in ASEAN in a stable environment. And if you look at ASEAN, it has

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been the perfect partner to both North America as well as to China. And one of the biggest dangers that I see in the world, moving forward, is the need to choose sides. If it comes to that, I think we, and most countries in ASEAN, will struggle to find the balance. That worries me a lot.

The other thing that bothers me a lot is the reaction to what's happening today, in terms of the inward-looking focus most countries are adopting. That could act as a barrier to talent, act as a barrier to capital, and potentially act as a barrier to trade as people begin to put up tariffs. I think that vision of the world, which is a more insular world, is something which worries me a lot. It's compounded by the fact that none of us know the massive amount of stimulus money that has been poured into the world and will continue to be poured into it. What is the long-term impact of that in terms of economic stability? So those are some of the macrothemes that I think will impact ASEAN, in particular, given the unique geographical location of most of the countries and the relationships they have had with the two major superpowers.

**Diaan-Yi Lin:** Joydeep, I wholeheartedly agree with you, and I think that the strength of ASEAN is almost—if we can be the antithesis of the two points that you raised—to remain a bridge between China, Europe, and the US, to actually be where everybody can come. I think that the power of ASEAN will be at its best if it actually collaborates among itself, rather than looks inward. Each and every country in ASEAN has its various strengths. A lot of their strengths are actually complementary to each other as nations. And if you almost imagine a value chain in any sector, every country can play a part in that value chain. So in combination, and with collaboration across nations, ASEAN in many ways can almost be the perfect sector or the perfect environment. If there was a way for us to remain where we are today, partners to the world without picking sides, and to continue to collaborate, rather than be nationalistic, I think ASEAN will really very much be at its best.

**Oliver Tonby:** Thank you, DY. You talked about collaboration, and ASEAN is a collection of ten different countries. Kaushik, you know all these

countries very well. Could you make a few of them just come alive for us? What are some of the strengths, and what do we have to look forward to in a few of the countries?

**Kaushik Das:** ASEAN is blessed with enormous diversity. As you look across our countries, some of that diversity comes through. If you look at Vietnam at one end, you see a large population and good infrastructure under the circumstances. With a good infrastructure and a reasonably disciplined, productive workforce, you get the recipe for a surge in manufacturing, the ideal location for companies to go to diversify their production base. You move from there to Indonesia, where there are large numbers—large numbers, size, diversity, many languages—across multiple islands and a government that sounds determined to open the aperture for more flexibility around manufacturing policies, labor policies, and for welcoming investment from the private sector and from outside of Indonesia. It could make for a very interesting five years if the government is able to see through some of the aperture widening but do it in a socially acceptable fashion.

At the other end, we've got countries that are blessed with natural resources—again, Vietnam, Indonesia, Malaysia, and some parts of Thailand. The ability of these countries to harness their natural resources combined with their ability to attract foreign talent could make for very interesting years to come.

In some ways, the Philippines is often left out. People often point to the fact that if you take a 50-year view of things, the Philippines hasn't quite grown as fast as many of the other countries. But our research shows that over the last ten years, the Philippines economy has grown consistently at about 6 percent, and it's poised to continue to grow at that pace or could even accelerate, and this is despite a degree of political turbulence from a domestic perspective. And in some ways, I'm saving probably the country that's best known to the world for last, and that's Singapore. Singapore has historically been known to make long-term bets to be looking out ten to 30 years into the future and to be investing ahead of the curve. And we see a lot of evidence of the

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Singapore government doing that again now. We’ve seen Singapore taking the lead on government working with SMEs and industries to train people. It’s probably been one of the first in the world doing that at scale.

We’ve seen the government taking a very structured view around sectors that become important in the future, investing in clean agricultural tech. I mean, who would have thought Singapore would be thinking about technology in agriculture? They’re investing or exploring vertical farming, urban farming, and some of these things would have application to other countries around ASEAN—one trend that I think is often overlooked. Very often, the perception of ASEAN economies is of giant state-owned companies or of family-run conglomerates. ASEAN countries often lack the Western-style, publicly listed, professionally run companies, or so is the perception. But if you actually look across many of our countries, we see second-generation, third-generation families taking over. And these are often people who have been educated in the best universities in the world, and then they’ve come back home to take charge of the businesses.

What we’re seeing is this huge hunger for being right up there globally, whether it’s governance practices or whether, as in many of these companies, its responsiveness to the environment, being socially responsible, doing the right thing for your workers, or adopting Industry 4.0 technologies. I actually think people often underestimate the power of change being driven by the new generation of corporate leaders in these countries.

**Oliver Tonby:** Thank you for all that. I want to ask Joydeep a question. You speak to many CEOs and many companies. What are the two or three things that are on ASEAN CEOs’ minds?

**Joydeep Sengupta:** A lot of the trends we talked about provide the background to how I find many CEOs in the region thinking about them. One important aspect that also defines the thinking is, “How did they enter COVID-19?” And I think what is quite interesting is COVID-19 has a more adverse impact on people with preexisting health conditions. It also had an equally adverse impact on people with preexisting economic conditions. And I think we’ve seen that coming into the crisis. You had a

scenario where more than 80 percent of companies in ASEAN were not returning their cost of capital fundamentally. And I think what COVID-19 has done is really put pressure on this very significantly.

Typically, if I had to look, there are three or four things which certainly are on people's minds. One, very clearly, CEOs are asking the question, "If I look at this amplification between winners and losers, how do I get to be a winner, and what do I need to do to position myself coming out of this crisis successful, as opposed to those who are not going to come out of this successfully?" And there are four things in particular that a lot of them are focusing on. One goes without saying: doubling down the investments in digital and analytics as a way to really transform and change the business model to adapt to this dramatic induction of digital. It's no longer about incremental "let's do digital on the side" or "let's do a pilot in the hobby." "Can we do it at scale?" So that's the first thing that we're seeing.

I think the second thing, and in particular I think this goes to many ASEAN conglomerates, is that there is a really serious rethink in their portfolio of businesses, because it goes without saying that in the good times, a number of businesses have continued in the way they had, and people didn't really care about whether they were returning the cost of capital, and so on. Now the time has come for many of them to rethink which businesses they really want to grow and build, what they think about capital allocation, and, in the case of businesses they want to really expand in, what they think about M&A as the vehicle to do that, as well as divestments of existing businesses that no longer make sense for them to be in.

So there is a big rethink for many of the CEOs around the portfolio of businesses they are in. This is true both for conglomerates and for single-business companies that have different and diverse functions or businesses within the subsegments and businesses within them. The third is around speed. What COVID-19 has demonstrated is the need to operate at speed, to really rethink the organization model for speed, for nimbleness. There is a lot of

acceleration in the whole organization model around agility; there is much more focus on having faster decision making, speed, and execution. So speed has become the new mantra, in some ways, for many of our CEOs.

And last but not the least—and I say this last, but perhaps I should say this first—is that the notion of purpose has become front and center in the minds of many CEOs. The questions are, "Why are we here, and why are we in this business?" DY talked about the role of government, and she talked about the role of society and inclusion. I think CEOs are asking the questions: "Who are we here for? What business are we in? And who are our owners? Is it just the shareholders? Or are we serving a broader set of stakeholders?" And really, emphasizing the role of purpose is becoming extremely critical and very much on top of their minds.

**Kaushik Das:** I'd like to point out, on the converse side, one thing that not enough ASEAN CEOs have on their minds, but I would wish for them to spend more time thinking about it, which is opportunities from the ESG [environmental, social, and corporate governance] arena, particularly environmental-sustainability-driven opportunities. I think very often in ASEAN, these are dismissed as Western phenomena or something that is not yet relevant to us. But if you look across our country, the use of renewable energy, the use of geothermal, the use of solar power, there is just so much more opportunity to come. We are seeing some steps. Malaysia has just installed solar-cell manufacturing capacity that is actually quite large. It has four gigawatts of manufacturing capacity that would make them the third largest in Asia. Singapore has been experimenting in this space. But there are lots more opportunities in electric vehicles and battery manufacturing, given that, in many of the cases, raw materials are available within the region.

I would say that there is a lot more opportunity coming. Energy transition will come. Our younger populations—at least folks that I talked to and we interact with—are just as interested in the environment as are younger populations anywhere else in the world. I would urge our governments

and our corporate leaders to be more thoughtful about opportunities in this space. In addition to the ESG topic, one of the topics that could be a game changer in ASEAN is unleashing the power of ASEAN's women. If you actually look at history in Thailand and Indonesia, women have always been a very important contributor to the economy and often comprised half or more of the workforce in many sectors. Research shows that if ASEAN can train up its women and get to 50 percent participation in the economy, it could release something like \$200 billion of economic benefits and GDP benefits across some of our largest countries.

**Oliver Tonby:** Thank you all for those thoughtful words. What I would like to do is to round us out. If you think about the next normal, the next normal in ASEAN, the next normal in the region, what is the one piece of advice, the one sentence of advice, you have for the senior executives listening to this podcast? Let me start with you, Joydeep.

**Joydeep Sengupta:** Oliver, I would provide two pieces of advice if that's okay with you. First is around how you operate. I think, as an executive, this is the time when you have to operate with a telescope in one eye and a microscope in the other. The long term is very, very critical, but the short term is here and now and very volatile, so you need to balance both, and I think that's an important skill. The second thing I would say is that this is the time, ever more so than before, to be a trisector athlete. This is no longer about serving only your shareholders

and providers of capital; it's also about how you serve society and the impact that you have dealing with governments. And I think being a trisector athlete could not be more important than now. So learn how to build those skills. Those would be my two pieces of advice.

**Oliver Tonby:** Thank you. DY?

**Diaan-Yi Lin:** The old adage goes, "No man is an island." And I would argue, similarly, no government in today's world can be an island either. And my advice and hope would be that each government starts to look much more externally and in a mode of collaboration not only with the private sector in the individual countries but also with governments across the region and with the private sector across the region.

**Oliver Tonby:** Thank you. Kaushik?

**Kaushik Das:** ASEAN will be volatile. Enjoy the volatility. Enjoy the diversity.

**Oliver Tonby:** Excellent. Thank you. Thank you to Kaushik, Joydeep, and DY, and thank you to all of our listeners for tuning in. Stay safe. Have a great day.

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