

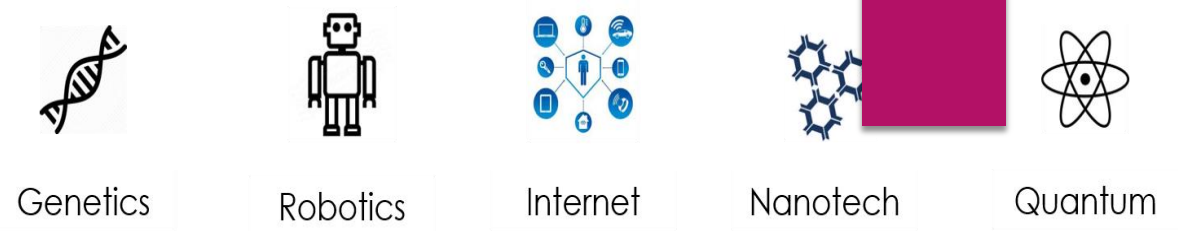
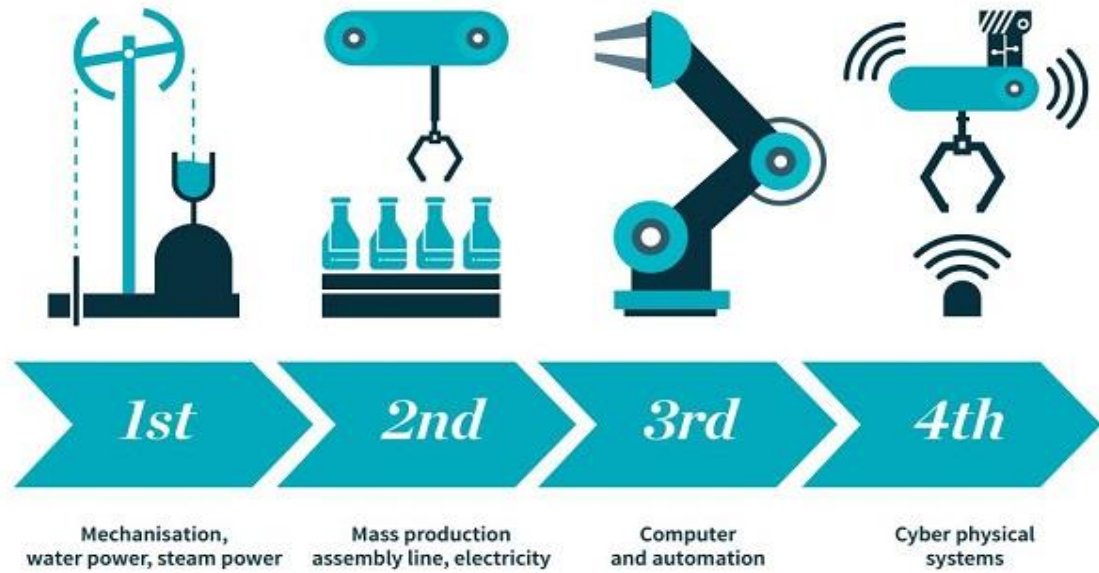
Pacific Economic Cooperation Council
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Session 4 “The Asia-Pacific Partnership: Ways Forward”

ASEAN Community Vision 2025: Implications for Asia-Pacific Partnership

CAN THE AEC SURVIVE?

Steven C.M. Wong
Malaysian National Committee for Pacific Economic Cooperation



GRINQ

Smart Factories
Industry 4.0

Fourth Industrial Revolution



ASEAN IN TRANSFORMATION

**THE FUTURE OF JOBS AT RISK
OF AUTOMATION**

July 2016

Jae-Hee Chang and Phu Huynh



Five ASEAN countries – Cambodia, Indonesia, the Philippines, Thailand and Viet Nam; about 80 per cent ASEAN workforce.

Key findings:

- 56 per cent of all employment in the ASEAN-5 is at high risk of displacement due to technology in the next two decades
- Industries with high capacity for automation: Hotels & Restaurants; Wholesale & Retail Trade; Construction; Manufacturing.
- Industries with low automation risk: Education & Training, Human Health and Social Work.
- Cambodia: Close to half a million sewing machine operators will be affected by automation
- Thailand: 1 million shop sales assistants face automation risk is particularly acute for approximately
- Indonesia: 1.7 million office clerks are vulnerable
- Women are more likely to be displaced
- Less educated workers and employees earning lower wages face higher automation risk



ASEAN governments need to respond to automation impacts by asking five questions:

- Which skill levels will be most impacted by job losses in key sectors?
- Is there a re-training programme available for displaced workers?
- In light of emerging technological developments, which core skills (and new skills) will be in most demand by predominant sectors?
- Are education and training providers offering forward-looking training according to the changing enterprise skill needs?
- Is the government and educational ministries placing mechanisms in place to raise the level and quality of education?

- Chang & Huynh



Action Please

- AEC needs urgently to discuss impact of automation, robotics, artificial intelligence, industrial internet of things (IIoT) on economies
- Effort should be cross-cutting: Economics, Science & Technology, Human Resources and Education (STEM)
- Current efforts (AFTA, RCEP) still rooted in 2nd Industry Revolution. Need to transition at least to 3rd within this decade. Open up telecom infrastructure, digital providers and value added services