



The Structure of ASEAN Economy

The total GDP of ASEAN reached US\$3.6 trillion in 2022, positioning it as the fifth largest economy in the world trailing behind the United States (\$25.5 trillion), China (US\$ 17.9 trillion), Japan (US\$ 4.2 trillion), and Germany (US\$ 4.1 trillion). Looking ahead, projections indicate that ASEAN's GDP is poised to reach an estimated \$4.5 trillion by the year 2030. This trajectory will propel ASEAN as the world's fourth-largest economy, showcasing its sustained economic growth and increasing influence on the global stage¹.

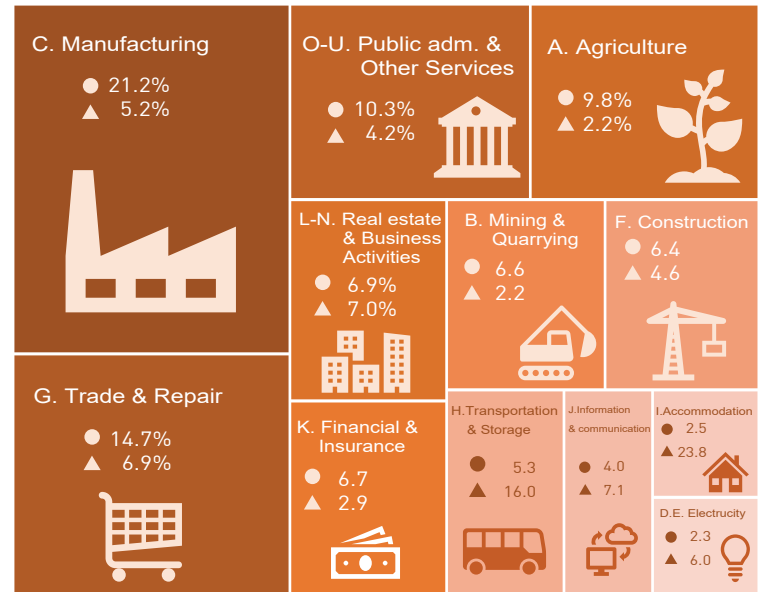
ASEAN comprises ten member states, each characterised by varying economic size and structure of industry. Analyzing the value added generated by industry which was derived by the production approach reveals a diversified pattern of growth and highlights the distinctive contribution of each industry to the overall economy.

In 2022, the Manufacturing industry was the largest contributor generating US\$767 billion or 21.2% of total ASEAN GDP. It was followed by Trade (14.7%), Public Administration & Other Services (10.3%), Agriculture (9.8%) and Real estate & Business Activities (6.9%). The remaining industries collectively contributed 33.8%, with net taxes on products contributed 3.3%.

Meanwhile, Accommodation industry and Transportation industry were recorded to have the highest growth in 2022 with 23.8% and 16.0%, respectively demonstrating its strong recovery from the impact of Covid-19. It is important to note that during the height of the pandemic, these industries were highly affected due to the implementation of lockdown policies.

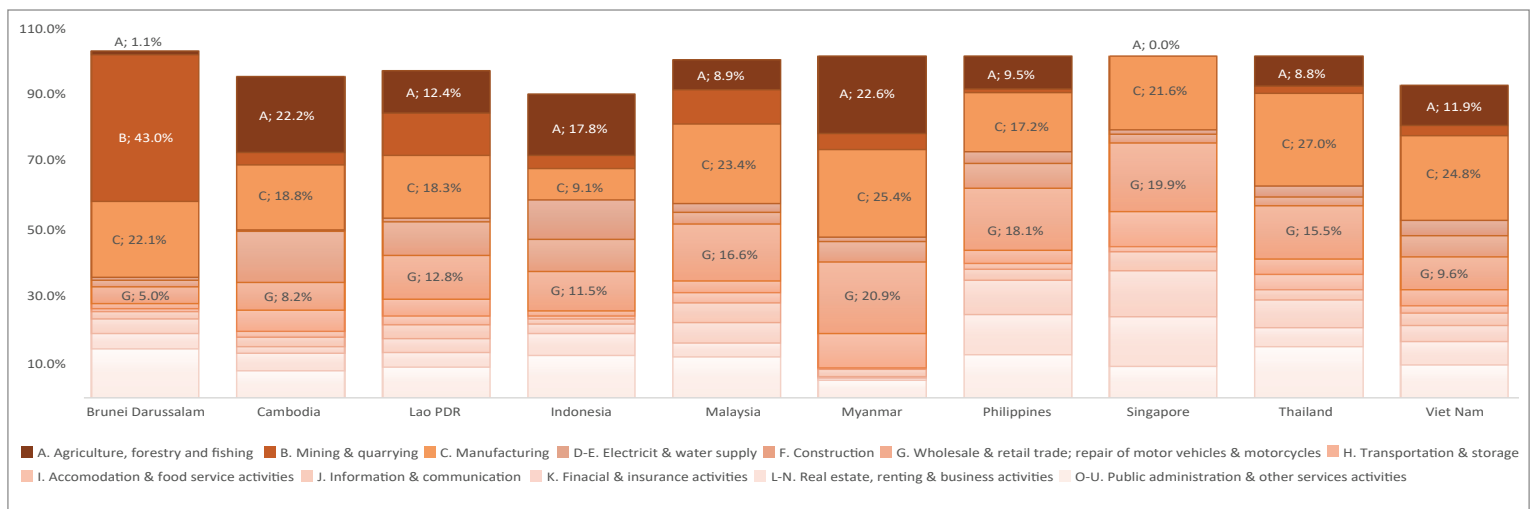
Examining the period preceding the COVID-19 outbreak, there was a discernible shift in the economic structure of ASEAN. The primary sector's role decreased, while the tertiary or service sector witnessed an upward trajectory. Specifically, the Agricultural industry and Mining and Quarrying industry's combined contribution decreased from 15.7% in 2015 to 14.1% in 2019. In contrast, the service sector's share increased from 50.9% in 2015 to 52.3% in 2019, while the secondary sector's contribution remained relatively stable during this period. However, the onset of the COVID-19 pandemic brought about a temporary shift. The service sector, which had previously seen an upward trend, experienced a slight decline, with its share decreasing to 50.9% in 2021 and further to 50.5% in 2022.

Structure and Growth Rate of ASEAN GDP by Industry, 2022.



Note: ● share ▲ growth rate

Structure GDP ASEAN Member States by Industry, 2022.



The economic structure of ASEAN Member States (AMS) also varies. The Manufacturing industry emerges as the largest contributor in most AMS, with a share ranging from 27% in Thailand, to 25.4% in Myanmar, 24.8% in Viet Nam, 23.4% in Malaysia, 21.6% in Singapore and 18.3% in Indonesia. Meanwhile, the Agriculture, Forestry, and Fishing industry has the largest share in Cambodia and Lao PDR at 22.2% and 17.8%, respectively. Brunei Darussalam relies heavily on the Mining and Quarrying industry constituting 43% of its economy, and the Wholesale and Retail Trade industry was the primary contributor to the Philippines' economy (18.1%).

¹ https://www3.weforum.org/docs/WEF_Future_of_Consumption_in_Fast_Growth_Consumer_Markets_ASEAN_2020.pdf