

ASEAN Economic Community 2015





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What we set out to do

ASEAN ECONOMIC COMMUNITY

STRATEGIC SCHEDULE OF THE AEC BLUEPRINT (2008-2015)

Pillar 1 Single Market & Production Base

- Free flow of goods
- Free flow of services
- Free flow of investment
- Freer flow of capital
- Free flow of skilled labor
- Priority Integration Sectors
- Food, agriculture and forestry

Pillar 2 Competitive Economic Region

- Competition policy
- Consumer protection
- Intellectual property rights
- Infrastructure development
- Taxation
- E-Commerce

Pillar 3 Equitable Economic Development

- SME development
- Initiative for ASEAN Integration

Pillar 4 Integration into the Global Economy

- Coherent approach towards external economic relations
- Enhanced participation in global supply networks

HUMAN RESOURCE DEVELOPMENT

RESEARCH AND DEVELOPMENT

Where are we now?



- ❖ **AEC Blueprint:** Signed in 2007
- ❖ **Defined:** The AEC will “establish ASEAN as a single market and production base with the goal of making ASEAN more dynamic and competitive.”

❖ **Four Pillars of AEC**

- Single Market and Production Base
- Competitive Economic Region
- Equitable Economic Development
- Integration into the Global Economy



Where are we now?

Pillar 1: Single Market and Production Base



Five Core Elements

1. Free flow of goods;
2. Free flow of services;
3. Free flow of investment;
4. Freer flow of capital; and
5. Free flow of skilled labour.



Where are we now?



Progress toward goals

- ❖ **Tariffs already near zero.**
- ❖ **The ASEAN Trade in Goods Agreement** created a legal framework to realise the free flow of goods within the AEC.
- ❖ **The ASEAN Framework Agreement on Services** eases restrictions on cross-border trade in at least 80 subsectors.
- ❖ **The ASEAN Comprehensive Investment Agreement** liberalises and protects cross-border investment activities and embraces international best practices in the treatment of foreign investors.



Where are we now?

Progress toward goals



- ❖ Pilot program for the **ASEAN Self-Certification System** for exporters launched.
- ❖ Member States testing preliminary exchange of trade data and information through the **ASEAN Single Window Gateway**.
- ❖ **Mutual Recognition Arrangements (MRAs)** in place on testing standards in many areas.
- ❖ Stock exchanges from ASEAN-5 and Viet Nam have collaborated to form **ASEAN Exchanges**.
- ❖ **MRAs concluded in eight professions** to facilitate the movement of ASEAN professionals in these areas through recognition of their qualifications.



Where are we now?

Pillar 2: Competitive Economic Region



Progress toward goals

- ❖ AEC seeks to foster a culture of fair competition, including institutions and laws that underpin the effort, including **protection for consumers and guarantees for intellectual property rights**.
- ❖ ASEAN Member States intensifying their efforts to introduce **competition policy and law by 2015**.
- ❖ **Outreach activities underway** to educate the public on the importance of competition policy.



Where are we now?



Progress toward goals

- ❖ **The ASEAN Highway Network** is physically connecting key roadways, including the priority **Transit Transport Routes**, a vital infrastructure and logistics component.
- ❖ **Six (out of planned 16) cross-border connections of the ASEAN Power Grid** already in operation. **The Trans-ASEAN Gas Pipeline** will connect ASEAN's gas pipeline infrastructure.
- ❖ **The agreements and protocols under the ASEAN Open Skies Policy** have been concluded and implemented.
- ❖ **Telecommunication infrastructure** is also undergoing continuous enhancement.



Where are we now?

Pillar 3: Equitable Economic Development



Progress toward goals

- ❖ There are thirty business incubators and innovation centres under the **ASEAN Business Incubator Network** to promote business matching and development.
- ❖ The **ASEAN SME Guidebook towards the AEC 2015** has been developed.
- ❖ The **Initiative for ASEAN Integration** has developed new approaches so that the benefits of the AEC are evenly shared between all Member States.
- ❖ The **ASEAN Framework for Equitable Economic Development** was introduced in 2011.



Where are we now?

Pillar 4: Integration into the Global Economy



Progress toward goals

- ❖ **“ASEAN+1” FTAs** with the People’s Republic of China, Japan, the Republic of Korea, Australia, New Zealand and India position ASEAN at the centre of global supply chains.
- ❖ ASEAN is negotiating **the Regional Comprehensive Economic Partnership (RCEP)**, a regional agreement involving ASEAN and its six FTA partners. RCEP will represent a combined GDP of about US\$21.2 trillion, which is about 30% of global GDP, and a market of 3.4 billion people (48% of the world’s population).

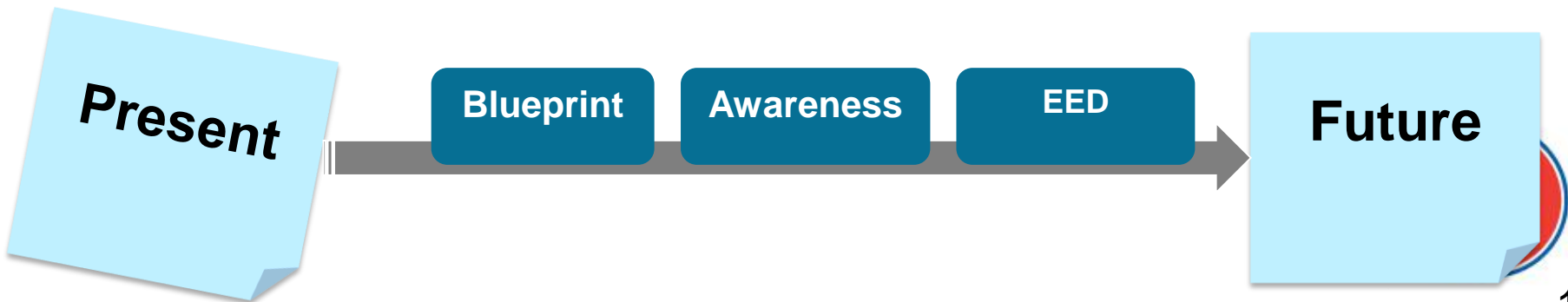


Where are we now – Pillar 4

	Entry Into Force	Size of Market	Size of Economy (\$)	Total Trade (\$)
ACFTA (China)	2005	1.98 B	11.3 T	351 B
AKFTA (Korea)	2007	0.67 B	3.59 T	135 B
AJCEP (Japan)	2008	0.75 B	7.41 T	241 B
AANZFTA (Aus-Nzl)	2010	0.65 B	4.07 T	78 B
AIFTA (India)	2010	1.87 B	4.16 T	68 B
AHKFTA (Hong Kong)	Jul 2014*	0.63 B	2.67 T	97 B
RCEP	May 2013*	3.4 B	20.9 T	872 B

* First round of negotiations

	Key Issues and Challenges
COMPLETING AEC BLUEPRINT	<ul style="list-style-type: none"> • Improved Trade Facilitation Measures – customs, self certification, tariffs, NTBs • Making ASEAN Comprehensive Investment Agreement (ACIA) work • Efforts to eliminate missing links in transport networks and improve the quality of transport infrastructure
RAISING AWARENESS	<ul style="list-style-type: none"> • Access to Information lacking on benefits of the AEC • There is a clear need to develop and disseminate appropriate key messages to national and regional audiences. • Differing levels of understanding and awareness of the AEC among the business
EQUITABLE ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> • Strengthening regional cooperation for SME development • Operationalizing the ASEAN Framework on Equitable Economic Development • Strengthening the framework on public-private partnership for infrastructure development



2015 and Post 2015

Shared Market
Shared Benefits
From Ten to One

Simplified Rules
Greater Access
Trading on a Bigger Stage

Partners in
Business

ASEAN Professionals
on the Move
Best People Best Practices

Expanding Access to Finance
Making Capital Work for You

Thank You



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