

APSC

The ASEAN Political Security Community continues to preserve peace and stability, which provided a foundation for economic prosperity and socio-cultural development in the region. ASEAN's approach of seeking dialogue, consultation and engagement has served the region well. Core regional instruments like the Treaty of Amity and Co-operation in Southeast Asia (TAC) and the Declaration on Conduct of Parties in the Southeast China Sea (DOC) have been widely recognised as codes of conduct in inter-state relations. To-date, 35 countries, including all ASEAN Member States, are High Contracting Parties to the TAC.

ASEAN has been instrumental in addressing non-traditional security challenges such as climate change, pandemics, natural disasters and trans-national crimes in various forms. The Declaration, "One ASEAN One Response: ASEAN Responding to Disasters as One in the Region and Outside the Region", signed at the 28 ASEAN Summit in Lao PDR on 6 September 2016, lays out solid political commitments to achieve a more collective, unified and swifter response towards disasters not only within ASEAN but outside the region. In the area of transnational crime, the ASEAN Convention on Trafficking in Persons Against Women and Children (ACTIP) signed by the ASEAN Leaders in November 2015, represents the first ASEAN regional convention and legally binding instrument on combating trafficking in persons.

ASEAN has continued to deepen mutually beneficial relations with Dialogue Partners and other external parties to support integration efforts in the region while maintaining its centrality in the evolving regional architecture through strengthening of ASEAN-led mechanisms. Commemorative Summits with China and Russia, and a Special Summit with the U.S. were held in 2016 while Switzerland and Germany were conferred Sectoral Dialogue Partner and Development Partner status respectively. To date, 86 non-ASEAN Member States have appointed their respective Ambassadors to ASEAN and 50 ASEAN Committees in Third Countries and International Organisations have been established to promote ASEAN's interests in these countries and international organisations.



AEC

ASEAN is one of the brightest spots in the global economy. With an average annual real growth rate of 5.3 % between 2007-2015, ASEAN has consistently outperformed global growth. In 2015, ASEAN's combined GDP stood at US\$2.4 trillion, positioning it as the 6th largest globally and 3rd in Asia. The region's economic growth is projected at 4.5% in 2016 supported by the growing private and public consumption, robust infrastructure investment and accommodative fiscal policy. Regional economic growth is projected to accelerate further to 4.6% in 2017, reflecting improvement in the economic climate and growth prospects, and an expected pick-up in commodities prices.

ASEAN attracted US\$121 billion or 7% of total global foreign direct investment inflows in 2015, leading to creation of jobs opportunities as well as income and economic growth. Contributing to this achievement are, among others, the strategic location of ASEAN amongst major economies such as China, India and Japan, making it an ideal production and distribution hub to global and regional markets, along with cost effectiveness, dynamic labour force, rich resource endowment and relative regional peace and security.

ASEAN is also one of the major players in the global trading system. Its total trade in 2015 stood at US\$2.3 trillion, collectively accounting for the 4th largest share of total global trade after China, USA and Germany. ASEAN is quickly emerging as a main participant in the global value chains which in turn will further cement its role and position in the global trade.

These significant progress and accomplishments were made possible through concrete initiatives and putting in place key rules, regulatory frameworks and fundamentals that are necessary for the ten ASEAN members to collectively move forward as an economic community.

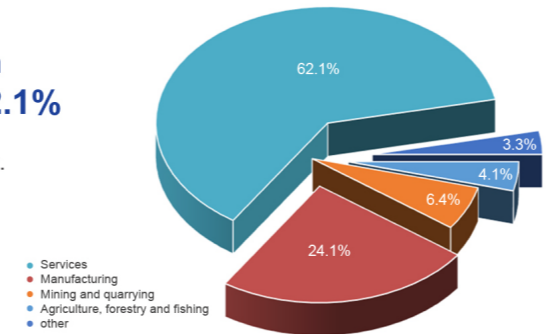
The elimination of tariffs and the implementation of trade facilitation initiatives to address non-tariff barriers have led to strong growth in trade in goods. The services sector, essential for global value chain participation, is also gaining traction, making the largest contribution to the region's GDP and attracting the most foreign direct investment in recent years.

The creation of a business-friendly and innovation-supporting environment through the enactment of competition laws and consumer protection laws as well as improvement in the intellectual property ecosystem, further promotes investment both from within and outside the region. The pursuit of regional economic integration has also led to the improvements in transport and other infrastructure networks. Recent achievements include the operationalisation of the ASEAN Open Skies, and the completion of missing links in the ASEAN Highway Network, which have contributed to reduced business costs.

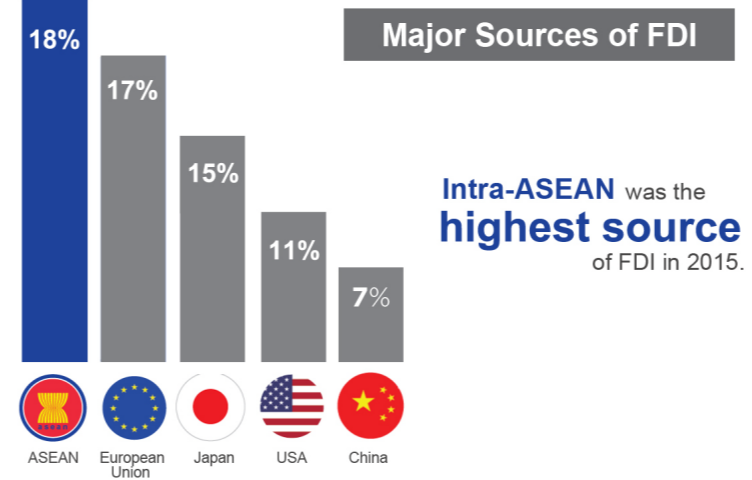
ASEAN INVESTMENT

ASEAN attracted **US\$121 billion** of FDI in 2015, **62.1%** of which were in the services sector.

Total FDI and by Sector

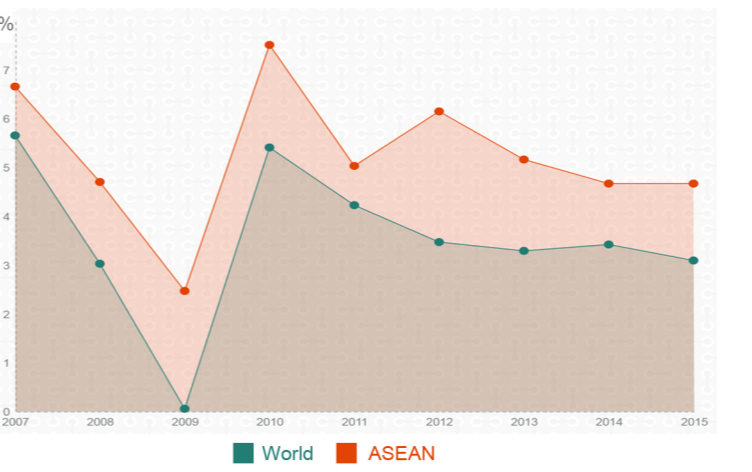


Major Sources of FDI



ASEAN ECONOMY

With an average annual real growth rate of **5.3%** between 2007-2015, ASEAN has consistently outperformed global growth.



At US\$ 2.4 trillion, ASEAN economy in 2015 was the **6th largest in the world** & the **3rd largest in Asia**.

ASCC

In the ASEAN Socio Cultural Community, efforts were intensified in building a people-centred, people-oriented ASEAN Community. Some of the critical achievements of regional cooperation in 2016 include the completion of all action lines specified in the previous ASCC Blueprint 2009-2015, and development of priorities for the ASCC Blueprint 2016-2015 through high-level commitments and sectoral work plans.

With regard to human development sectors, several new initiatives have been established to strengthen the region's capacity to address the emerging threat of health pandemics. ASEAN has also put in place measures to boost its resiliency through the establishment of the ASEAN Risk Assessment Centre (ARAC) for Food Safety. The Regional Plan of Actions on the Elimination of Violence Against Children and Violence Against Women was adopted as a continued commitment to protect and promote the rights of women and children. Development of human resources, promotion of decent work and protection of rights of workers also prominently figured in the past year's achievements.

ASEAN has developed the ASEAN Guiding Principles for Quality Assurance and Recognition of Competency Certification Systems; ASEAN Guidelines for Corporate Social Responsibility (CSR) on Labour; and ASEAN Guidelines on Essential Workplace Action for Enterprises on the Prevention and Management of HIV and AIDS. The ASEAN Leaders also adopted the Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN.

In 2016, ASEAN has promoted and enhanced complementarities between the UN 2030 Agenda for Sustainable Development and the ASEAN Community Vision 2025. Major achievements include the issuance of a Progress Report on Promoting Complementarities between the ASEAN Vision 2025 and the SDGs 2030 and the convening of a Special Session of the ASEAN Foreign Ministers' Meeting focusing on Sustainable Development. A series of regional workshops and symposiums on promoting and enhancing the complementarities have also been scheduled.

ASEAN has also intensified its efforts to engage people and introduced the development of ASEAN to the outside world through culture, arts and sports. These will continue to be effective instruments in bringing about friendship, development, peace and integration through greater interaction and understanding among ASEAN peoples.

The ASEAN social landscape at a glance

- Literacy rates: **More than 90%** (Source: ASCC Scorecard 2015)
- Net enrolment rate for children of primary school age: **From 92% in 1999 to 94% in 2012** (Source: ASCC Blueprint 2025)
- % of people living on <\$1.25: **From 1 in 2 persons to 1 in 8 persons in the last two decades** (Source: UN MDG Report 2015)
- Proportion of seats held by women in parliaments: **From 12% in 2000 to 18.5% in 2012** (Source: ASCC Blueprint 2025)
- Proportion of urban population living in slums: **From 40% in 2000 to 31% in 2012** (Source: ASCC Blueprint 2025)
- Maternal mortality per 100,000 live births: **From 371 in 1990 to 103 in 2012** (Source: UN MDG Report 2014)

- Number of ASEAN natural heritage parks: **38** (Source: ASEAN Center for Biodiversity)
- Number of UNESCO Cultural World Heritage Sites: **24**

"We all grow up taking it for granted that we have no war in our region, but it requires a lot of effort among government leaders, among senior officials in ASEAN governments to work together to maintain peace and security."



- Dr. Termsak Chalermpanupap, Lead Research Fellow, ASEAN Studies Centre, Iseas-Yusof Ishak Institute, on the absence of wars and brinkmanship among Asean members, The Straits Times (22 November 2015)

"So we are increasing the level of partnership in all fields, including politics and security; we are increasing our daily work — the EU has appointed a dedicated ambassador to ASEAN for the first time ever, and we are looking forward to moving to the strategic partnership between the EU and ASEAN."



- Federica Mogherini, EU high representative for foreign affairs and security policy, The Jakarta Post (10 April 2016)

"This ASEAN+3 Village Leaders Exchange Programme is very useful for me, I will share what I had learnt with my colleagues and hope to replicate some of the good practices from neighboring countries in my village."

- Long Kosal Vathnak, a Community Development Officer from Cambodia, www.thailand.prd.go.th (27 September 2016)