



A JOURNEY TOWARDS
REGIONAL ECONOMIC
INTEGRATION:

1967-2017







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A Journey Towards Regional Economic Integration: 1967-2017

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"...to accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian Nations."
(The ASEAN Declaration)

A Vision for Regional Economic Integration

In today's complex, challenging world it has become clear that the fate of developing economies depends greatly on how they succeed in cooperating regionally and leveraging their combined strengths globally to seize new opportunities.

That is precisely the path on which five Southeast Asian nations set out 50 years ago when they established the Association of Southeast Asian Nations (ASEAN), beginning a multi-stage journey towards the creation of the ASEAN Economic Community (AEC) in 2015 as one of the key pillars of what has become the ASEAN Community.

The ASEAN vision, far ahead of its time, has since become a model for how diverse economies at different stages of development can move forward and grow together as a region through global cycles of boom, bust, uncertainty and recovery.

Now with 10 member states, ASEAN's combined GDP of more than US\$2.55 trillion in 2016 would make it the world's 6th largest economy if it were a nation. Its combined population of 635 million – 8.7% of the world's total – is the third largest after that of China and India. ASEAN is also a vibrant market, with a young and rising middle class.

This publication retraces key milestones as ASEAN progressed over the past 50 years towards the AEC, an integrated economic community offering a unique model for regionalism that underpins ASEAN's broader commitment to preserving the peace at the core of Southeast Asia's ongoing prosperity.

The Creation of ASEAN

ASEAN came into being on 8 August 1967 when Ministers representing the five founding member states – Indonesia, Malaysia, the Philippines, Singapore and Thailand – met in Bangkok to sign the **ASEAN Declaration**, also known as the “Bangkok Declaration”.

This unprecedented Asian regional grouping was formed at a time of both promise and challenge for the world. While technological advances in telecommunications, production efficiency and transportation were helping to extend the post-war economic boom, especially in developed countries, geopolitical tensions continued to fuel conflict and political insecurity in Asia and other developing regions, hindering their growth, stability and prospects.

Southeast Asia’s emerging economies faced many issues in common, ranging from poverty, unemployment, and limited access to education and social services, to concerns over food security for their rapidly-growing populations. The founding members of ASEAN believed that the member states had a shared responsibility for improving economic growth and promoting peace and stability in their region, through building a unique regional model that was

distinctly Southeast Asian.

While not a panacea for all their challenges, ASEAN’s establishment provided a foundation and framework for member states to act in concert to address a wide range of complex issues and to access emerging opportunities. In particular, there was a shared commitment to leverage existing bonds of regional solidarity and cooperation and address common shared global concerns together. The ultimate aim was both visionary and practical: to accelerate economic growth, social progress and cultural development among member states.

For many living in the founding member states, however, ASEAN was still only a high-level aspiration. Translating the vision of its constituent national Leaders into a concrete regional agenda that would deliver tangible benefits to people at all levels in diverse economies and societies – in ways that also aligned with their national agendas – would become ASEAN’s first, and ongoing, priority.



Ministers of the five founding member states signed the historic ASEAN Declaration in August 1967 (left to right): H.E. Narciso R. Ramos (Philippines), H.E. Adam Malik (Indonesia), H.E. Thanat Khoman (Thailand), H.E. Tun Abdul Razak (Malaysia), and H.E. S. Rajaratnam (Singapore).

“...a region which can stand on its own feet, strong enough to defend itself against any negative influence from outside the region.”

(H.E. Adam Malik, Indonesia)

“...bound together by ties of friendship and goodwill and imbued with our own ideals and aspirations and determined to shape our own destiny.”

(H.E. Tun Abdul Razak, Malaysia)

“ASEAN could marshal the still untapped potentials of this rich region through more substantial united action.”

(H.E. Narciso R. Ramos, Philippines)

“If ASEAN would succeed, then its members would have to marry national thinking with regional thinking.”

(H.E. S. Rajaratnam, Singapore)

“...building a new society that will be responsive to the needs of our time and efficiently equipped to bring out, for the enjoyment and the material as well as spiritual advancement of our peoples, conditions of stability and progress.”

(H.E. Thanat Khoman, Thailand)

Building the Foundation

ASEAN was still a young organisation when, in the 1970s, the world was plunged into two oil crises whilst also experiencing a food crisis linked to falling grain production. Soaring energy prices and shortages of basic food commodities exposed serious vulnerabilities in the global economic system.

These heightened risks strengthened the resolve of ASEAN's five founding member states to turn the vision articulated in the Bangkok Declaration into action. They stepped up cooperation to increase production and secure reliable supplies of basic commodities and to help the region's own producers of food and other commodities to become more resilient. At the same time, they proceeded to build institutional foundations for deeper economic cooperation.

These early efforts culminated in the **Declaration of ASEAN Concord**, also known as the **Bali Concord I**. Signed by Leaders at the First ASEAN Summit in Bali, on 24 February 1976, it stipulated the objectives, principles and programme of action that served as a framework for ASEAN cooperation. This framework placed a strong emphasis on production and supply of basic commodities (particularly food and energy); industrial and trade cooperation; joint approaches to international commodity markets and other world economic problems, and the machinery for economic cooperation.

This framework also put in place key instruments for ASEAN economic cooperation, namely, ASEAN Industrial Projects (AIP), Preferential Trading Arrangements (PTA) and ASEAN Industrial Cooperation schemes, which were later complemented by the ASEAN Industrial Joint Ventures Initiative.

As a collective response to the global commodities crisis, ASEAN launched a programme of sector-specific projects within the region as part of the AIP, namely fertiliser plants in Indonesia and Malaysia, a diesel engine project in Singapore, a superphosphate project in the Philippines and a soda-ash project in Thailand. Despite challenges in delivering the AIP package in ways that were economically viable and supported by all member states, as well as strongly backed by the private sector, these collective regional efforts yielded important lessons for ASEAN as it prepared for the next phase of implementing its regional economic cooperation agenda.

Frameworks for Regional Cooperation

With a mission to turn ASEAN commitments on regional economic cooperation into concrete measures, the First ASEAN Economic Ministers' (AEM) Meeting was convened in November 1975. The AEM remains a pivotal decision-making forum for economic cooperation.

Other instruments to facilitate economic cooperation were also put in place during the 1970s, namely:

- **Science and technology**
ASEAN Ad-hoc Committee on Science and Technology (1970); later, the ASEAN Committee on Science and Technology (1978)
- **Private sector engagement**
ASEAN Chambers of Commerce and Industry (1972)
- **Energy**
ASEAN Council on Petroleum (1975)
- **Tourism**
Sub-Committee on Tourism (1976)
- **Transport**
Committee on Transportation and Communications (1977)
- **Finance**
ASEAN Swap Arrangement (1977)
- **Agriculture**
First Meeting of the ASEAN Agriculture Ministers and signing of the ASEAN Agreement on Food Security Reserve (1979)

With the deepening of cooperation across sectors, it became apparent that a central regional administrative organ would be needed to coordinate, support and track the implementation of ASEAN projects and activities. This led to the establishment of the ASEAN Secretariat, located in Jakarta, in 1976.

ASEAN Bintulu Fertilizer Sdn. Bhd., established in 1980 as a joint venture of the five founding ASEAN member states.

Broadening Regional Economic Cooperation



By the mid-1980s, the world economic outlook was improving. Most ASEAN member states were on an upward growth trajectory and pursuing export-oriented industrialisation. Their export competitiveness benefitted, in part, from the depreciation of some ASEAN currencies. This helped to cement ASEAN's position as an emerging regional player in global production networks. ASEAN's political stability was also conducive to economic development.

However, hopes for realising the benefits of an increasingly interdependent, integrated global economy were tempered by monetary instability following the 1987 stock market crash and subsequent recession in key developed economies, as well as by a rising tide of protectionism. ASEAN began speeding up efforts to put in place stronger, more detailed frameworks for regional economic integration by signing the **Manila Declaration** on 15 December 1987, which broadened sectoral cooperation beyond basic commodities. It also signalled a greater recognition of the role of the private sector in economic development and in intra-ASEAN cooperation. Acknowledging that accelerated industrialisation requires increased investment and technology, ASEAN member states simultaneously signed the ASEAN Investment Guarantee Agreement to support investment promotion and protection in the region.

In early 1992, the Framework Agreements on Enhancing ASEAN Economic Cooperation were signed to implement further measures aimed at advancing regional economic integration. These stipulated that all member states would establish and participate in an ASEAN Free Trade Area (AFTA). A Common Effective Preferential Tariff Scheme, signed on the same day, would become the main mechanism for achieving gradual intra-ASEAN tariff liberalisation. To complement these initiatives for trade in goods, the ASEAN Framework Agreement on Services

(AFAS) was signed in 1995 to provide the basis for market integration through progressive liberalisation of ASEAN's trade in services. Three years later, the Framework Agreement on the ASEAN Investment Area was signed to bring about a competitive, liberal and transparent environment for investment in the ASEAN region.

Bold steps to integrate ASEAN's trade in goods and services as well as investment activities in member states, were central to

achieving ASEAN's goal of an integrated market. They were also aimed at providing consumers with access to wider choices and more affordable products, and ASEAN companies with greater access to regional and global markets. Taken with positive developments in each member state, these regional initiatives contributed to a buoyant economic performance by ASEAN as a whole.

Envisioning the ASEAN Economic Community

With the onset of the Asian Financial Crisis in 1997, which saw the value of currencies, markets, assets and businesses plunge across the region, ASEAN was even more convinced that regional economic integration held the key to economic resilience.

The year saw the adoption of the **ASEAN Vision 2020**, in which the Leaders committed to transform ASEAN into a stable, prosperous, and highly-competitive region with equitable economic development and reduced poverty and socio-economic disparities. The Leaders also welcomed the consolidation of member states' interest in deepening and broadening economic integration.

ASEAN's progress towards implementing this vision gained significant momentum in 1999 when, with the accession of Cambodia, membership expanded to the current 10. The coming together of 10 member states fulfilled the founding fathers' vision of fostering meaningful cooperation among countries in the Southeast Asian region that were already bound by ties of history and culture. This, in turn, brought about a stronger sense of unity among member states and fuelled their aspiration to press ahead with forming an economic community.

The success of economic integration in ASEAN would depend on all 10 member states delivering on and benefiting from ASEAN's region-wide agenda. In that spirit, the Initiative on ASEAN Integration (IAI) was launched in 2000 along with its first work plan. The aim was to expedite greater regional economic integration by reducing development gaps between member states and promoting equitable economic development in Cambodia, the Lao PDR, Myanmar and Viet Nam (CLMV).



In the historic **Bali Concord II** of 2003, the Leaders declared the creation of the AEC by 2020 to be the goal for regional economic integration. Four years later, acknowledging the significant progress ASEAN had already made towards realising its Vision 2020, the Leaders issued the **Cebu Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015**.

This brought forward by five years the previous target date for creating the ASEAN Community, including the AEC. It led directly to the launch, also in 2007, of one of the most significant documents in ASEAN's journey towards regional economic integration – the **AEC Blueprint 2015**.

The Blueprint set out in concrete terms how the AEC would be established by 2015, reflecting the convergence of interests among member states to deepen and broaden economic integration through existing and new initiatives with clear timelines. It outlined the AEC's four mutually-reinforcing pillars: a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy.

The AEC became the ultimate manifestation of ASEAN regional economic integration as articulated in the ASEAN Vision 2020. By the time the ASEAN Community was formally established on 31 December 2015, the AEC was one of its essential underpinnings, along with the ASEAN Political-Security Community (APSC) and the ASEAN Socio-Cultural Community (ASCC).

"A concert of Southeast Asian nations, outward-looking, living in peace, stability and prosperity, bonded together in partnership, in dynamic development and in a community of caring societies."

(The ASEAN Vision 2020)

Towards One Economic Community

Single Market and Production Base:

- *Free flow of goods* – Virtual elimination of intra-ASEAN tariffs, pursuant to commitments made in AFTA and the ASEAN Trade in Goods Agreement (ATIGA); harmonisation of standards in the priority sectors through the ASEAN Harmonised Cosmetic Regulatory Regime, the ASEAN Harmonised Electrical & Electronic Equipment Regulatory Regime; and the ASEAN Medical Device Directive, plus concrete initiatives in the area of trade facilitation
- *Free flow of skilled labour* – Signing of eight Mutual Recognition Arrangements (MRAs) (Box 1.1), the ASEAN Agreement on the Movement of Natural Persons and the ASEAN Qualification Reference Framework
- *Free flow of services* – Nine packages of commitments under AFAS and continued discussions on the ASEAN Trade in Services Agreement
- *Free flow of investment* – Entry into force of the ASEAN Comprehensive Investment Agreement to improve the investment environment through investment liberalisation, facilitation, promotion and protection
- *Freer flow of capital* – Efforts towards regional financial integration (Box 1.2)
- *Food, agriculture and forestry* – Continued efforts to promote regional cooperation on food, agriculture and forestry (Box 1.3)

Equitable Economic Development:

- *SME development* – ASEAN Small Business Competitiveness Programme; ASEAN Guidelines on Improvement of Rural Living Condition Through One Village One Product Movement; Directory of Outstanding ASEAN SMEs; ASEAN Strategic Action Plan for SME Development
- *Initiative on ASEAN Integration* – Continued efforts to help Cambodia, the Lao PDR, Myanmar and Viet Nam to better participate in and benefit from the ASEAN region's integration agenda



Four pillars under the AEC Blueprint 2015

Competitive Economic Region:

- *Consumer protection* – Establishment of the ASEAN Committee on Consumer Protection; nine ASEAN member states have principal Consumer Protection Acts in place
- *Competition policy* – Nine ASEAN member states have competition laws in place
- *Intellectual property rights* – ASEAN Patent Examination Cooperation and ASEAN Common Guidelines for the Substantive Examination of Trademarks
- *Infrastructure development* – Completion of the ASEAN Highway Network (AHN); the ASEAN Open Skies agreements; continued development of the Singapore Kunming Rail Link Project
- *Energy cooperation* – ASEAN Centre for Energy; Memorandum of Understanding on the Trans-ASEAN Gas Pipeline; Memorandum of Understanding on the ASEAN Power Grid; and the ASEAN Petroleum Security Agreement

Integration into the Global Economy:

- *Coherent approach towards external economic relations* – Signing of five free trade agreements (FTAs) and comprehensive economic partnership agreements (CEPAs), with Australia and New Zealand (jointly), China, India, Japan and Republic of Korea. In addition, ongoing negotiations for the Regional Comprehensive Economic Partnership (RCEP) with all existing FTA Partners, and for an FTA with Hong Kong

Towards One Economic Community: Strengthening Sectoral Cooperation



Box 1.1

Mobility of Skilled Labour

Cross-border trade and investment requires the support of appropriate skills and instruments such as mutual recognition arrangements to facilitate the mobility of skilled professionals.

The ASEAN Framework on Mutual Recognition Arrangements (MRAs), signed in 1998, provided a basis for establishing the following sectoral MRAs:

- Engineering Services (2005)
- Nursing Services (2006)
- Architecture Services (2007)
- Framework Arrangement on Mutual Recognition of Surveying Qualifications (2007)
- Medical Practitioners (2009)
- Dental Practitioners (2009)
- Tourism Professionals (2012)
- Framework on Accountancy Services (2009); later, ASEAN's MRA on Accountancy Services (2014)



Box 1.2

Regional Financial Cooperation

The 7th ASEAN Finance Ministers' Meeting in 2003 endorsed the Roadmap for Monetary and Financial Integration of ASEAN. It covers capital market development; liberalisation of financial services; capital account liberalisation; and ASEAN currency cooperation, in pursuit of ASEAN's goal of greater economic integration.

Additional regional financial integration initiatives have included:

- The Chiang Mai Initiative Multilateralisation Agreement (2010)
- The ASEAN Financial Integration Framework (2011)
- The ASEAN Insurance Integration Framework (2011)
- The Capital Account Liberalisation Heat Map (2013)
- The ASEAN Banking Integration Framework (2014)
- The ASEAN Capital Market Infrastructure Blueprint (2014)



Box 1.3

Cooperation in Food, Agriculture and Forestry

Since its earliest days, ASEAN has attached great importance to cooperation over food, agriculture and forestry. Then, the focus was on food production and supply. By 1977, the scope of cooperation had broadened to cover agriculture and forestry. In the years leading to the AEC Blueprint 2015 and beyond, the following initiatives were achieved:

- ASEAN Food Security Information System (2003)
- ASEAN Good Agricultural Practice Standard (2006)
- ASEAN Statement on Strengthening Forest Law Enforcement and Governance (2007)
- ASEAN Integrated Food Security Framework (2008)
- ASEAN-Plus Three Emergency Rice Reserve Agreement (2011)
- ASEAN Food Safety Policy (2015)
- ASEAN Food Safety Regulatory Framework (2016)

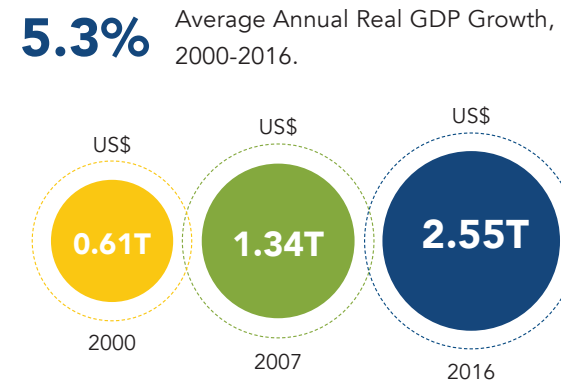
ASEAN@50 : ASEAN Economic Community at A Glance

ASEAN Economy: A Highly Competitive Region

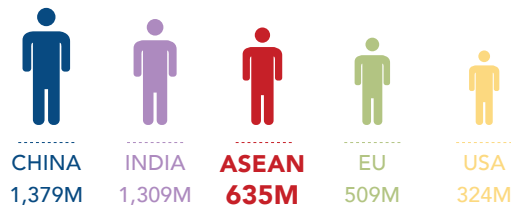
6th largest economy in the **world** and
3rd largest economy in **Asia** in 2016.



GDP at Current Market Prices (in trillion US\$). Source: ASEANStats (for ASEAN data) and IMF-WEO



ASEAN POPULATION: A Fully Integrated Community



More than half of the population was below **30 years of age** in 2016.



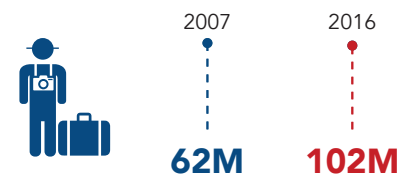
Nearly half lived in **urban areas** in 2016.



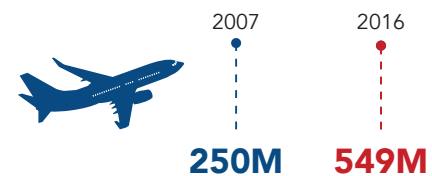
3rd largest population in the **world** in 2016.

Source: ASEAN Secretariat and UN Population Division

ASEAN CONNECTIVITY: A More Connected Community



Total Tourist Arrivals in ASEAN
Almost **half** were **intra-ASEAN**.



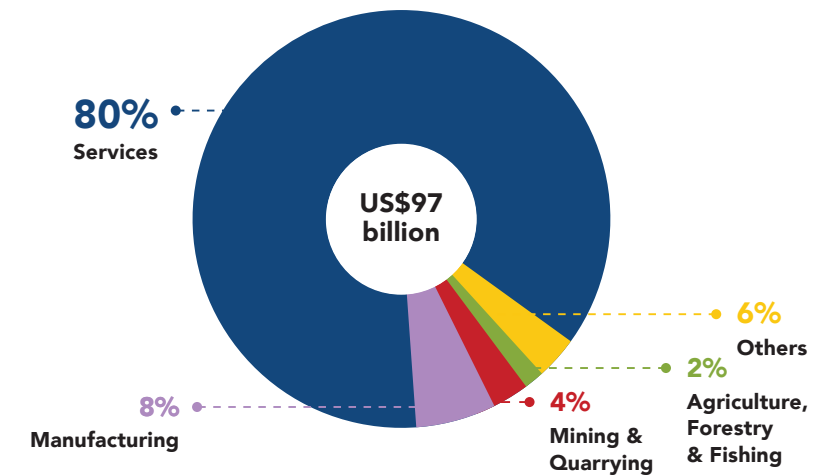
Total Seating Capacity of Flights to and from ASEAN
More than doubled between 2007 and 2016.



Source: ASEAN Secretariat and CAPA (for seating capacity data)

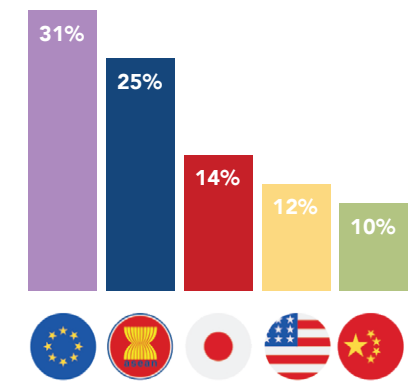
ASEAN INVESTMENT: A World-class Investment Destination

Total FDI by Economic Sector



ASEAN attracted **US\$97 billion** in Foreign Direct Investment (FDI) in 2016, **80%** of which was in the services sector.

Major Sources of FDI



ASEAN was one of the **largest sources** of FDI flows in 2016.

Source: ASEANStats

ASEAN TRADE: A More Integrated Market

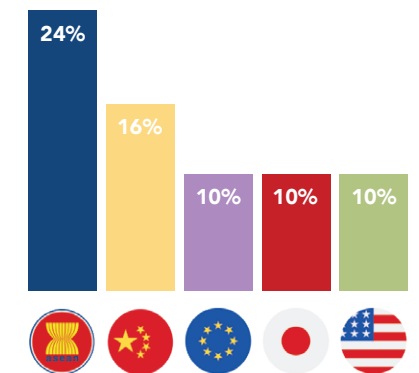
ASEAN's Total Trade



Total ASEAN trade stood at **US\$2.3 trillion** in 2016 with intra-ASEAN trade comprising the largest share of ASEAN's total trade in 2016.

ASEAN Total Trade (in trillion US\$)

Major Trading Partners



Intra-ASEAN trade represented the **largest share** of ASEAN's total trade by partner in 2016.

Source: ASEANStats
ASEAN International Merchandise Trade Statistics (IMTS) Yearbook

ASEAN in the World

Years of commitment by ASEAN to deepen and accelerate regional integration through trade and investment liberalisation and facilitation; improved connectivity and information sharing, and the development of micro, small and medium-sized enterprises (MSMEs), have helped to expand the capacity of individual member states to integrate with and participate in global value chains.

Canada

Total trade with ASEAN in 2016: US\$12.1 billion
FDI into ASEAN in 2016: US\$0.3 billion

European Union

Total trade with ASEAN in 2016: US\$229.7 billion
FDI into ASEAN in 2016: US\$30.4 billion

Russia

Total trade with ASEAN in 2016: US\$11.7 billion
FDI into ASEAN in 2016: US\$0.06 billion

United States

Total trade with ASEAN in 2016: US\$215.2 billion
FDI into ASEAN in 2016: US\$11.6 billion

FTA Under Negotiation

Regional Comprehensive Economic Partnership

Negotiations launched in 2012

Total trade of 16 participating countries in 2016: US\$9.1 trillion
Total FDI inflows to 16 participating countries in 2016: US\$347.6 billion

Hong Kong, China

Negotiations launched in 2014

Total trade with ASEAN in 2016: US\$90.2 billion
FDI into ASEAN in 2016: US\$9.6 billion

Source: ASEANStats (for ASEAN data), UNCTAD and the IMF-WEO.
Data for 2016 is preliminary as of 23 June 2017.



ASEAN's Global Engagement

- Dialogue Partners: Australia (1974), Canada (1977), China (1991), European Union (1977), India (1992), Japan (1973), Republic of Korea (1989), New Zealand (1975), Russia (1996), United States (1977)
- Sectoral Dialogue Partners: Norway (2015), Pakistan (1993) and Switzerland (2016)
- Development Partner: Germany (2016)
- As of May 2017, 87 non-ASEAN ambassadors were accredited to ASEAN
- Within ASEAN, sub-regional cooperation frameworks – including the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area, the Indonesia-Malaysia-Thailand Growth Triangle, and Mekong cooperation initiatives – serve as building blocks for greater regional integration

China

FTA EIF: July 2005 (Goods), July 2007 (Services), August 2009 (Investment)

Total trade with ASEAN in 2016: US\$355.1 billion
FDI into ASEAN in 2016: US\$9.2 billion

Japan

CIP EIF: December 2008 (Goods)

Total trade with ASEAN in 2016: US\$221.7 billion
FDI into ASEAN in 2016: US\$13.9 billion

Republic of Korea

FTA EIF: June 2007 (Goods), May 2009 (Services), September 2009 (Investment)

Total trade with ASEAN in 2016: US\$125.1 billion
FDI into ASEAN in 2016: US\$5.9 billion

India

FTA EIF: January 2010 (Goods); July 2015 (Services and Investment)

Total trade with ASEAN in 2016: US\$56.4 billion
FDI into ASEAN in 2016: US\$1.05 billion

Australia-New Zealand

FTA EIF: January 2010 (Goods, Services, Investment)

Total trade with ASEAN in 2016: US\$53.8 billion
FDI into ASEAN in 2016: US\$2.9 billion

Quick Facts:

- Six ASEAN member states were founding members of the World Trade Organization in 1995. With the accession of the Lao PDR in 2013, all 10 ASEAN member states are now WTO members.
- The ASEAN Secretariat is an official observer to the Asia-Pacific Economic Cooperation (APEC). Seven ASEAN member states are among the 21 APEC economies.
- By 2004, all 10 ASEAN member states were part of the Asia-Europe Meeting (ASEM). The ASEAN Secretariat joined ASEM in 2008.

A Diversity of Stakeholders

More than half

of US companies surveyed reported that ASEAN markets have become more important to their worldwide revenue over the past two years.[^]

[^]Source: 2017 ASEAN Business Outlook Survey spearheaded by the American Chamber of Commerce in Singapore and the US Chamber of Commerce in Washington, DC

87%

expected that their company's level of ASEAN trade and investment will increase over the next 5 years.[^]

85%

of European business respondents expected their **ASEAN trade and investment** to increase over the next 5 years.*

*Source: 2016 EU-ASEAN Business Sentiment Survey by the EU-ASEAN Business Council

74%

expected ASEAN's importance to their global revenues to increase over the next 5 years.*

Businesses with a direct stake in the AEC cover a wide spectrum – from family-based small and medium-sized enterprises, to large corporations, and from established enterprises to start-ups. Individuals behind these businesses also cover a wide spectrum – from inventors to professionals, and from working mothers to young entrepreneurs fresh out of university or school. More generally, consumers and workers across ASEAN are all stakeholders in that they stand directly to benefit from the AEC's contributions to the region's improved business and economic environment.

This diversity of stakeholders requires meaningful approaches by relevant ASEAN bodies to constructive engagement towards an ASEAN Community that is people-oriented, people-centred and inclusive. Stakeholders are invited and encouraged to participate actively in the further development of ASEAN's economic integration agenda.

Since the establishment of the ASEAN Community, there has been a noticeable heightening of interest in the region, both within ASEAN and beyond, and rising confidence in its economic potential. Relevant ASEAN bodies maintain regular dialogue with the ASEAN Business Advisory Council, as the region's apex private sector organisation, and with other established business councils in the region.

Business Councils in ASEAN

Following the Leaders' decision at the 7th ASEAN Summit, the ASEAN Business Advisory Council (ASEAN-BAC) was formed in 2003 as the apex private sector body, with the mandate to provide private sector feedback and guidance to boost ASEAN's efforts towards economic integration including through organising the ASEAN Business and Investment Summit, ASEAN's premier annual business and investment event. In addition to ASEAN-BAC, other regional business councils with a focus on the AEC are:

1. ASEAN-Australia Business Council
2. ASEAN-Canada Business Council
3. ASEAN-China Business Council
4. ASEAN-EU Business Council
5. ASEAN-India Business Council
6. ASEAN-Japan Business Council
7. ASEAN-Korea Business Council
8. ASEAN-New Zealand Business Council
9. ASEAN-US Business Council
10. East-Asia Business Council

Partnership for Change, Prosperity for All

"Each country must strengthen the areas where they excel and help mentor other countries. This then will bring out the best in all of us as a brotherhood of nations helping one another attain inclusive growth." (ASEAN-BAC, 2017)



A Diversity of Stakeholders: Tools for Trade and Business Facilitation



ASEAN Solutions for Investments, Services and Trade (ASSIST)

- assist.asean.org
- Providing a platform for ASEAN businesses to address operational problems arising from intra-ASEAN trade



ASEAN Tariff Finder

- tariff-finder.asean.org
- Providing tariff-related information under ATIGA and ASEAN+1 FTAs



ASEAN Trade Repository

- atr.asean.org
- Providing trade- and customs-related information, including links to National Trade Repositories



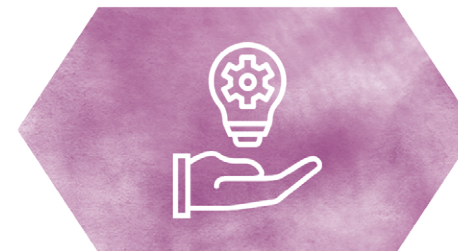
ASEAN SME Service Centre Web Portal

- aseansme.org
- Providing information on doing business in the region, and promoting entrepreneurship through the ASEAN SME Academy



ASEAN Competition Website

- asean-competition.org
- Providing competition-related information, including *The Handbook on Competition Policy and Law in ASEAN for Business*



ASEAN Intellectual Property Portal

- aseanip.org
- Providing information on IP regimes and services to promote innovation. Included on the portal are ASEAN TMview and ASEAN DesignView

ASEAN's Next Decade

The AEC Blueprint 2025, adopted on 22 November 2015, guides the next phase of ASEAN's economic integration agenda, from 2016 to 2025. Along with the ASEAN Community Vision 2025, APSC Blueprint 2025 and ASCC Blueprint 2025, it forms part of the overarching ASEAN 2025: Forging Ahead Together, adopted by the Leaders at the 27th ASEAN Summit in 2015.

Building on the achievements and early gains of the AEC Blueprint 2015, the AEC Blueprint 2025 is bolder and more forward-looking. It places particular emphasis on the development of MSMEs, on innovation-driven growth to help the region move from a production-driven economy to a productivity-driven economy, and on leveraging on global megatrends that are transforming the region's landscape. Such endeavours are supported by the IAI Work Plan III and the Master Plan on ASEAN Connectivity 2025, adopted in 2016.

Going forward, the AEC will continue to advance the vision that has brought 50 years of peace, economic development and prosperity to the ASEAN region.

"The AEC Blueprint 2025 will build on the AEC Blueprint 2015 consisting of five interrelated and mutually reinforcing characteristics, namely:

- (i) A Highly Integrated and Cohesive Economy;***
- (ii) A Competitive, Innovative, and Dynamic ASEAN;***
- (iii) Enhanced Connectivity and Sectoral Cooperation;***
- (iv) A Resilient, Inclusive, People-Oriented and People-Centred ASEAN; and***
- (v) A Global ASEAN."***

(AEC Blueprint 2025)

Capitalising on Global Megatrends

Global megatrends – those overarching, transformative and irreversible global forces that stem from the past – are shaped in the present and will transform the future. From disruptive technologies, shifts in global economic power, rapid urbanisation, and population ageing, to climate change and resource depletion, megatrends are re-defining the global economic and socio-political landscape.

Amid many unknowns as we go deeper into the 21st century, one certainty is that "business as usual" is no longer a viable option for any country or region. Policymakers face fresh imperatives to re-calibrate and re-configure traditional policymaking processes; businesses are challenged to re-think their business models.

The AEC Blueprint 2025 envisions ASEAN going even further with regional cooperation and integration by capitalising on global megatrends to build "A Competitive, Innovative and Dynamic ASEAN".

For ASEAN as a whole, a continuing challenge will be to anticipate and act upon the impacts on the region of emerging global megatrends, and to advance the interests of all stakeholders who look to ASEAN for astute leadership, sound guidance and effective support.



