ASEAN 2015: OPPORTUNITIES AND CHALLENGES

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PACU ASEAN 2015 SEMINAR, 23 November 2012
ASEAN Member States

Founding Member States and Their Present Political Systems:

1. Indonesia (1967)
2. Malaysia (1967)
3. Philippines (1967)
4. Singapore (1967)
5. Thailand (1967)

States which joined later:

3. Laos (1997)
5. Cambodia (1999)
Dialogue Partners of ASEAN

1. Japan
2. China
3. Republic of Korea
4. Australia
5. New Zealand
6. India
7. United States
8. Russia
9. Canada
10. European Union
11. United Nations Development Programme (UNDP)
EAS (EAST ASIA SUMMIT) Countries
(ASEAN Plus Three, Plus Australia,
India, New Zealand, US & Russia)

ASEAN PLUS THREE
(ASEAN 10 Plus
China, Japan and South Korea)

ASEAN

TOWARDS AN EAST ASIAN COMMUNITY
Giant Step after 40 Years

40 years after the Association of Southeast Asian Nations was established in 1967 under the Bangkok Declaration,

ASEAN as an Economic Force

- One of the world’s fastest economic regions.

- Fast becoming the free trade hub of Asia, with a combined gross domestic product (GDP) of $2.1 trillion and a combined population of about 609 million people.
ADB Lauds ASEAN

- The Asian Development Bank reports that despite global disturbances, economic growth in Southeast Asia is expected to remain robust.

- During the annual meeting of the ADB Board of Governors last May, ADB President Haruhiko Kuroda stated that ASEAN has become a driving force of regional cooperation and integration in Asia.
ASEAN Community by 2015

- Preparations for the establishment of an ASEAN Community by 2015.

- Three Pillars:
  - ASEAN Political-Security Community
  - ASEAN Economic Community
  - ASEAN Socio-Cultural Community
Promotes political development in adherence to the principles of democracy, and promotion and protection of human rights, as inscribed in the ASEAN Charter.

Upholds a people-oriented ASEAN in which all sectors of society, regardless of gender, race, religion, language, or social and cultural background, are encouraged to participate in, and benefit from, the process of ASEAN integration.
Vision: By 2015, a single market and production base is to be established by the ten economies.

--free flow of goods, services, investment, skilled labor & freer flow of capital

--highly competitive single market that promotes equitable economic development for Member States, as well as facilitating their integration with the global community.
Benefits of the ASEAN Economic Community

- AEC’s realization in 2015 will open up greater opportunities for socio-economic growth:

(a) Greater choice of goods and services for consumers through increases in intra-regional trade;
(b) Larger economies of scale for businesses and industries, thereby increasing productivity while reducing production costs, leading to more competitive pricing of goods;
(c) Lowering of production costs can be passed onto consumers who can benefit from lower prices of goods and services;
Benefits of the AEC (cont’d)

(d) Greater demand for goods & services will create jobs in industries such as manufacturing, transport, logistics and communications;

(e) Increased trade & investment will promote greater entrepreneurship and innovation in products & services, producing better variety, quality and efficiency, benefiting consumers;
Benefits of the AEC (cont’d)

(f) Increased economic integration will strengthen business networks across ASEAN, building growth & prosperity; and

(g) A higher level of employment in ASEAN would contribute towards building a larger middle class, thereby reducing the gap between the rich and the poor, which will promote social stability, apart from a consumer market with purchasing power for goods and services.
Pillars of ASEAN Economic Community

ASEAN ECONOMIC COMMUNITY

Strategic Schedule

SINGLE MARKET AND 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

COMPETITIVE ECONOMIC REGION
- Competition policy
- Consumer Protection
- Intellectual Property Rights
- Infrastructure development
- Taxation
- e-Commerce

EQUITABLE ECONOMIC DEVELOPMENT
- SME development
- Initiative for ASEAN Integration (IAI)

INTEGRATION INTO THE GLOBAL ECONOMY
- Coherent Approach towards External Economic Relations
- Enhanced participation in global supply networks

Human Resource Development
Research and Development
Achievement – ASEAN Trade Volume

Total Trade

Intra-ASEAN

Extra-ASEAN

Value in billion US$

Achievement – FDI Flows into ASEAN
US$ Million

Value in million US$

Total
Extra-ASEAN
Intra-ASEAN

Achievement – ASEAN Trade With Selected Partners
US$ Million

- Intra-ASEAN: 519,704
- USA: 471,993
- Japan: 186,130
- EU-27: 207,809
- China: 231,218
- ROK: 203,900
- ANZ: 6,262
- India: 1,024
- Pakistan: 62,312
- Rest of the world: 55,325

Year:
- 1993
- 2003
- 2010

Total: 471,993 + 186,130 + 207,809 + 231,218 + 203,900 + 6,262 + 1,024 + 62,312 + 55,325 = 1,519,704
ASEAN Socio-Cultural Community

- Blueprint for the ASEAN Socio-Cultural Community: strategic thrusts are health, poverty reduction, social welfare and labor protection, environment and disaster management, agriculture, food security and safety, and natural resources, education, culture, science and technology, and elimination of illegal drugs.
Competitive Advantage

- ASEAN peoples and societies have similarities in racial origins, character, values, customs, colonial experience and predispositions.
- ASEAN’s collective voice has influence on the development of the emerging new regional architecture—political, strategic, economic.
- Its collective voice is listened to in the United Nations, World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC) & Asia-Europe Meeting (ASEM).
Challenges and Constraints

- Diversity in political systems, economic and social conditions and ideologies
- Conflicting territorial claims
- Unresolved historical issues: result of wars and occupations during pre-colonial times
- Different alliances and character of relations with the Big Powers of the region
- Rivalry among member-states and among Dialogue Partners
Map of Southeast Asia