Can ASEAN Fulfill Its Potential

Ambassador Ong Keng Yong
Director
Institute of Policy Studies
LKYSSP, NUS
The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967 in Bangkok, by Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined the Association on 8 January 1984. Viet Nam became the seventh member of ASEAN on 28 July 1995. Lao P.D.R and Myanmar were admitted into ASEAN on 23 July 1997, and Cambodia on 30 April 1999.
ASEAN Economic Community (AEC)

- **Trade in Goods**
  - Tariff reduction (< 1%)
- **Trade in Services**
  - Removal of Non-Tariff Barriers
- **Flow of Investments**
  - Removal of restrictions ("national treatment")
On-going action for AEC

- Harmonisation of rules/regulations
- Standardisation of custom procedures
- Management of cross-border issues
- Mutual recognition arrangements
- Capacity building of government agencies and business bodies
Implementation of AEC Plans

- Set and review timelines by Ministers/Leaders
- Use of AEC Scorecard
- Leverage on existing FTAs between ASEAN and Dialogue Partners
- ASEAN Connectivity Initiative
A Connected ASEAN

- Dynamic and integrated ASEAN Community in a peaceful and prosperous Southeast Asia and a key player in the region and the world

- Benefits of Connectivity to ASEAN:
  - Enhance regional cooperation and integration
  - Enhanced global competitiveness through stronger regional production networks
  - Enhanced connections to economic centres and improved opportunities for low income populations
ASEAN Connectivity

- ASEAN Master Plan on Regional Connectivity
- Enhanced ASEAN Connectivity
- Enhanced East Asia Connectivity that is linked to key global markets
- High Level Task Force on ASEAN Connectivity
ASEAN Master Plan on Regional Connectivity

- Sectoral Bodies’ Plans (ICT, Energy, Tourism, Transport, etc)
- Initiatives for Sub-Regional and National Infrastructure Networks and other Connectivity-related strategies
- Sources and modalities of financing: national, bilateral, sub-regional, ASEAN, Dialogue Partners, private sector, etc.
- Supporting regulatory and non-regulatory regime and enabling environment
Enhanced East Asia Connectivity that is linked to Key Global Markets

- Cooperation, coordination and partnership with Dialogue Partners and external parties in expanding connectivity beyond ASEAN
- Global norms, trends and regulations affecting connectivity
ASEAN Community

APSC  AEC  ASCC

Enhance rules and
good governance

Enhance integration
and competitiveness

Enhance well-being
of ASEAN citizens

Narrowing the Development Gaps

Physical Connectivity
*Hard Infrastructure*
Transportation, Logistics Facilities, ICT, Energy (Power Grid and Pipelines), Special Economic Zones

People-to-People Connectivity
Tourism, Education, Culture

Institutional Connectivity
*Soft Infrastructure*
Trade facilitation, ASEAN Single Window, Investment facilitation, Services Liberalisation, Regional Transport Agreements, Capacity-building programmes

Resource Mobilisation

ASEAN Connectivity
Oct 2003 ASEAN Summit in Bali
  - Adopted Single Window approach
Dec 2005 ASEAN Economic Ministers’ Meeting in KL
  - Signed ASW Agreement
  - Implementation
    - Target:
      - ASEAN-6: by 2008
      - CLMV: by 2012
Problems in ASW Implementation

- ASEAN countries implement National Single Windows
- Some countries wish ASW implemented first
Linking the respective National Single Windows (NSWs):

- Two Approaches

First

Issue:
Where to locate the Central Repository?
Problems with ASW Implementation

Issue:
No Central Server
ASEAN External Economic Relations

- ASEAN-Russia
- ASEAN-EU
- ASEAN-Pakistan
- ASEAN-GCC
- ASEAN-India FTA
- ASEAN-China FTA
- ASEAN-Korea FTA
- ASEAN-Japan CEP
- ASEAN-Australia-New Zealand FTA
- ASEAN-Canada
- ASEAN-US TIFA
Regional FTAs

1997
ASEAN Plus
Three

KL

2005
EAS

KL

EAFTA?

CEPEA?

EAFTA + CEPEA

Trans-Pacific Partnership (TPP)?
ASEAN’s Moves

- Member States must stay together and derive benefits for the regional grouping
- Engage external powers and those wanting to be ASEAN’s friend
- Realisation of the ASEAN Community
  - Position of East Asia in the global economic configuration
  - Maintain stable regional architecture in East Asia
ASEAN’s Challenges

- National ego of bigger countries
- Projection beyond ASEAN
- Myanmar
  - Affect engagement with major trading partners
- Competing interests of countries in the South China Sea
Favourable geography of SEA
Strategic engagements with those who matter
Confidence and trust of big powers
Relevant initiatives at opportune moments
Good balance of interests
Visionary leadership
Staying together in face of common challenges
Thank you.