

Asia-Pacific Forum 2015

"ASEAN Community Building and regional Integration in East Asia: Looking Beyond 2015"

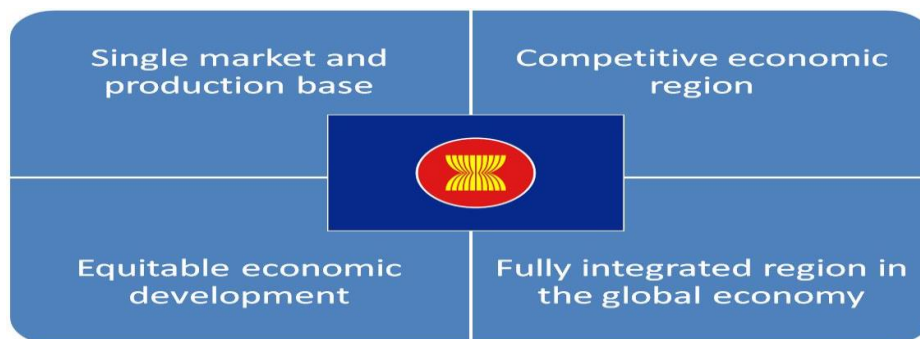
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Panel Session II: ASEAN Economic Community as a driver of Regional Integration in East Asia: Challenges and Opportunities

Talking Points¹:

As ASEAN is in moving forward to a peaceful and prosperous community, ASEAN Economic Community will soon be realized at the end of December in 2015 by comprising to three mutually reinforcing and closely intertwined pillars of Political-Security, Economic and Socio-culture community. It is very closed to target date. In fact, ASEAN Economic Community (AEC) is the goal of regional economic integration by 2020 according to the (Bali Concord II) ASEAN vision 2020. ASEAN Community's Post 2015 Vision is aimed to promote ASEAN as a rules-based community bound by shared principles, values and norms.

It has been transforming into a Rules-based and People centered organization by integrating Southeast Asia's diverse economies. The AEC is defined by four pillars as mentioned in following Figure

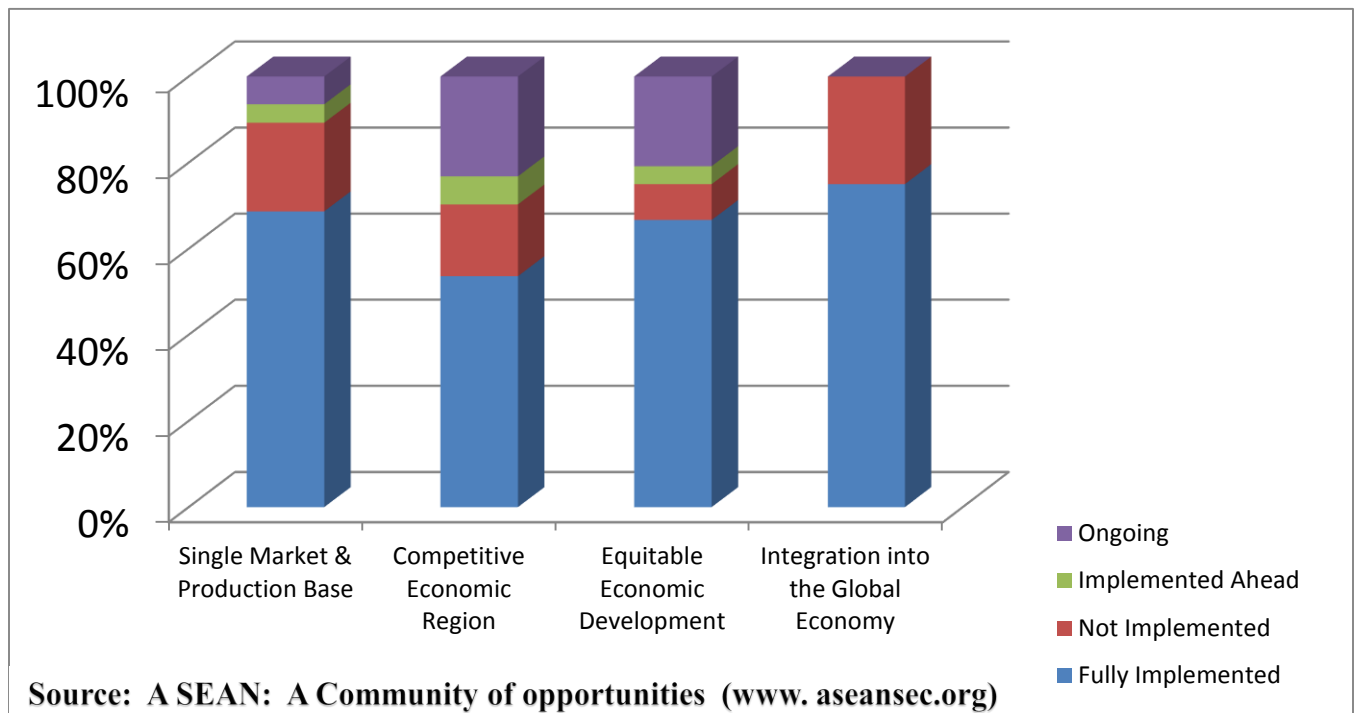


Source: ASEAN: A Community of Opportunities (www.aseansec.org)

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As far as it is concerned with the implementation of AEC, it can be seen the AEC Scorecard that AMSs' implementation had completed over 80%.

Implementation of AEC Scorecards



When the AEC happens in reality, some countries will see many new opportunities presented to them and the reverse for others. Therefore ASEAN has also been confronted with challenges and exploited opportunities. There are many challenges we have to face beyond 2015.

There are some of the key points that need to be addressed beyond 2015. They are as follows:

- To attain the concrete achievement of AEC goal, we have to first of all, ensure to create the Single Market and production based (first pillar of AEC). After reducing the tariffs among AMSs in line with the CEPT scheme, tariffs are coming down very fast and are practically zero for the ASEAN-6. Now non-tariff measures (NTMs) have become particularly salient as a potential barrier to smoother trade linkages among AMSs.

- For trade facilitation, we need to establish the National Single Window (NSW) in AMSs for materialize the ASEAN Single Window (ASW). The ASEAN Single Window (ASW) is not yet operative. To reach the AEC goal ASW, National Single Windows are not yet fully operational in most AMSs; and indeed, for three AMSs (CLM), they have yet to be put in place. The implementation of NTM in Myanmar is also underway.
- In addition, it is the need for the full operationalisation of both national and regional trade repositories, which are needed to enhance transparency on trade related policies, rules and regulations in the region for the benefit of firms and people transacting business in the region.
- Despite some progress on standards and conformance as well as on MRAs on professional services, so much more is needed to ensure greater regulatory convergence on standards and technical regulations, greater confidence on conformance assessments and certifications, and greater mobility of skilled professionals within the region.

As a whole of the implementation ASEAN Economic Community Post 2015,

- Narrowing development gaps is also one of the main challenges to be tackled at national as well as at regional level.
- There are the limitations in capacity in terms of infrastructure, institutions, human resources, technology, and finance.
- Among of them, Infrastructure connectivity within AEC is also a challenge to drive the growth of region (*As far As Myanmar is concerned, the connectivity will be the best strategy associated with economic corridors: East-west economic corridor*)
- Lack of awareness among different stakeholder is one of the immediate challenges that AEC faces
- lack of engagements with private sector can pose a big challenge for a successful implementation of AEC (*i.e. SMEs in less developed countries like Myanmar are not yet ready for AEC, unable to take advantage of the benefits and opportunities from the AEC, if they are not able to collaborate with foreign companies to acquire new*

technology and knowhow due to the lack of finance, technical know-how, international exposure and capacity)

- legal and regulatory challenges.. Different levels of legal framework development and lack of institutional capacity in AMSs hindered their effective and timely implementation of regional commitments

Way forward

- ▶ ASEAN will continue to implement the remaining Blueprint's action lines and measures that are not yet implemented and their implementation will continue to be deepened and expanded in scope in terms of policy actions beyond 2015.
 - ▶ ASEAN should also strengthen the implementation of the three community Blueprints in a mutually reinforcing manner
 - ▶ Furthermore, raising awareness on ASEAN should remain the top priority for greater participation of people in the building of people-centered community through among other, active engagement with all relevant stakeholders.
 - ▶ Owing to the cross -cutting nature of development gap between ASEAN-6 and CLMV countries and its significance to the ASEAN integration process, we reaffirm to support for the implementation of the IAI in post-2015.
 - ▶ The challenge for ASEAN is to maintain, and better still, strengthen the momentum post 2015 moving forward towards an integrated, highly contestable, competitive, dynamic, inclusive, resilient and sustainable region that is deeply engaged with the rest of East Asia and the world.
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