



ASEAN: Ambitions de Development et d'Integration

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ASEAN Development Ambitions

- AEC by 2015 (2018 for CLMV)
- 3 times higher GDP per capita in 2030 than in 2010 (\$9,435 VS \$3,117)

The AEC by 2015

AEC is comprehensive and ambitious as it wants to create a single market and production base by 2015 (2018 for CLMV). Free flow of goods, services, investments, capital and skilled labor.

Four key areas and 17 core elements plus 176 targets monitored by a score card system

Idea is to create a single market and to boost ASEAN productivity, competitiveness and accelerate growth

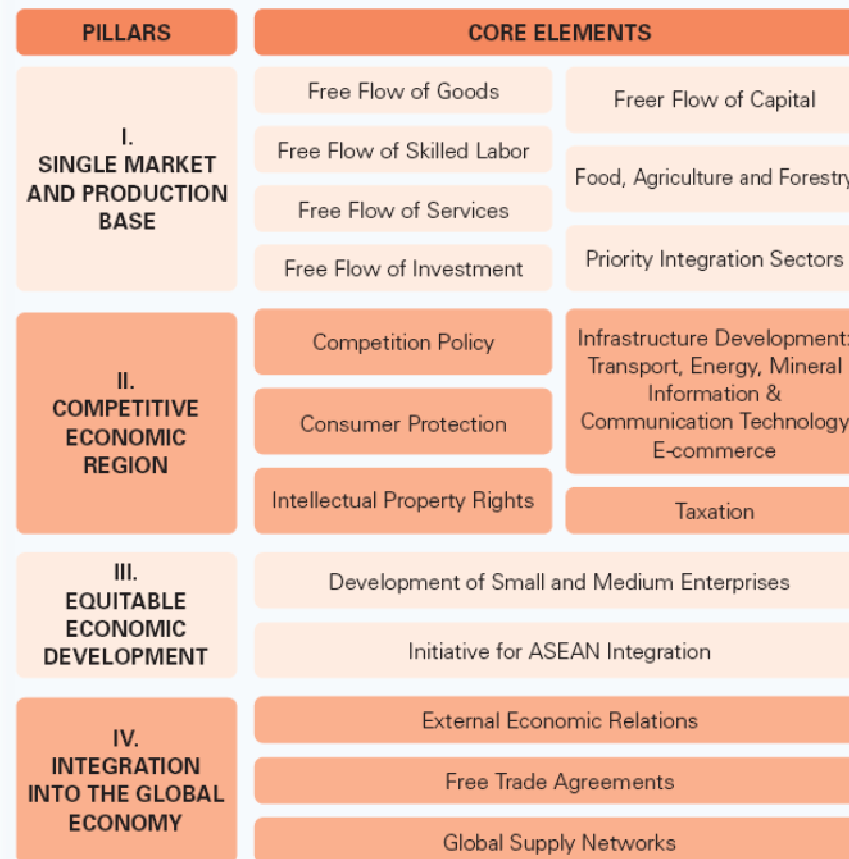
Needed as ASEAN is losing out on China, India (later) and some other BRICs countries or regional groupings (LA)

No supra-nationality concept and no sanctions for non compliance



ASEAN Economic Community – Structural Components

Figure 1.3. ASEAN Economic Community — Structural Components



ASEAN=Association of Southeast Asian Nations.
Source: ASEAN Secretariat and ADBI.

ASEAN 2030 Projections and Aspiration Targets

Table 2.2. ASEAN 2030 Projections and Aspiration Targets

Countries	Population		Gross Domestic Product (GDP)					Per-capita GDP				
	Million people		Billion \$			Average annual growth (%)		\$			No. times of increase over 2010-2030	
	Actuals (2010)	Projections (2030)	Actuals (2010)	Projections (2030)	Aspiration Targets (2030)	Projections (2030)	Aspiration Targets (2030)	Actuals (2010)	Projections (2030)	Aspiration Targets (2030)	Projections (2030)	Aspiration Targets (2030)
BRU	0.414	0.542	12.371	25.768	32.378	3.7	4.8	29,882	47,561	59,763	1.6	2.0
CAM	14.953	18.363	11.255	54.797	61.627	7.9	8.5	753	2,984	3,356	4.0	4.5
INO	237.641	277.059	708.352	2,121.335	2,890.468	5.5	7.0	2,981	7,657	10,433	2.6	3.5
LAO	6.437	8.049	6.461	30.114	32.315	7.7	8.0	1,004	3,741	4,015	3.7	4.0
MAL	28.251	37.069	237.803	694.737	780.067	5.4	5.9	8,418	18,742	21,044	2.2	2.5
MYA	61.187	69.310	45.380	225.259	231.322	8.0	8.1	742	3,250	3,337	4.4	4.5
PHI	94.010	127.336	199.591	663.418	675.859	6.0	6.1	2,123	5,210	5,308	2.5	2.5
SIN	5.184	6.093	227.382	397.842	534.519	2.8	4.3	43,862	65,293	87,725	1.5	2.0
THA	63.878	67.759	318.908	823.663	1,014.845	4.7	5.8	4,992	12,156	14,977	2.4	3.0
VIE	88.257	101.955	103.575	439.449	478.602	7.2	7.7	1,174	4,310	4,694	3.7	4.0
ASEAN	600.212	713.535	1,871.078	5,476.382	6,732.004	5.4	6.4	3,117	7,675	9,435	2.5	3.0
ASEAN-6	429.378	515.857	1,704.407	4,726.762	5,928.137	5.1	6.2	3,969	9,163	11,492	2.3	2.9
CLMV	170.834	197.678	166.671	749.620	803.867	7.5	7.9	976	3,792	4,067	3.9	4.2

ASEAN=Association of Southeast Asian Nations; BRU=Brunei Darussalam; CAM=Cambodia; INO=Indonesia; CLMV=Cambodia, Lao People's Democratic Republic, Myanmar, and Viet Nam; LAO=Lao People's Democratic Republic; MAL=Malaysia; MYA=Myanmar; PHI=Philippines; SIN=Singapore; THA=Thailand; VIE=Viet Nam.

Notes: (i) ASEAN-6 refers to Brunei Darussalam; Indonesia; Malaysia; Philippines; Singapore; and Thailand. (ii) Projections are from ADB's Economics and Research Department. Aspiration targets are based on country consultations and background papers prepared for this study.

Sources: 2010 data are from the International Monetary Fund (IMF), World Economic Outlook Database, April 2012 Edition. Available:

<http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/index.aspx> (accessed September 2012). Aspiration targets for 2030 are from background papers on individual ASEAN countries prepared for this study.

Socio-Economic Challenges to Ambitions

- Economic and Financial Policies
- Promotion of Convergence and Equitable Growth
- Creating a Competitive and Innovative Region
- Natural Resources and the Environment
 - NATIONAL PERSPECTIVE RATHER THAN ASEAN PERSPECTIVE

I. Economic and Financial Policies

- Align macro policies but independence
- No fixed exchange rate as EU
- No common view on capital controls
- How to liberalize financial and capital markets?
- ASEAN or ASEAN +3
- National policies will prevail



Promotion of Convergence and Equitable Growth

- Big inequalities between countries and within.
- Much lower income in CLMV countries
- ASEAN needs to go beyond IAI to help CLMV
- Need to integrate CLMV thru value chains
- ASEAN countries ready for CLMV solidarity fund



Creating a Competitive and Innovative Region

- Intensive factors of production driver of growth in CLMV
- For other ASEAN countries, research and development, and innovation necessary to escape MI trap
- Education system and research poorly finance and developed
- Individualistic approach rather than creating ASEAN synergies (CERN).
- No regional research approaches promoted



Natural Resources and Environment

- Economic growth has put enormous pressure on environment
- High risk due to climate change exposure
- Much ASEAN discussions under the ASCC and 10 priority areas
- ASEAN Climate Change Initiative
- Few concrete agreements and actions as national approaches are taken; no multisector approach
- No ASEAN “green logistics” or common approach on resources.



Strategic and Political Challenges of ASEAN

- Asian integration and ASEAN “Centrality”
- ASEAN Territorial Integrity
- ASEAN Decision Making process



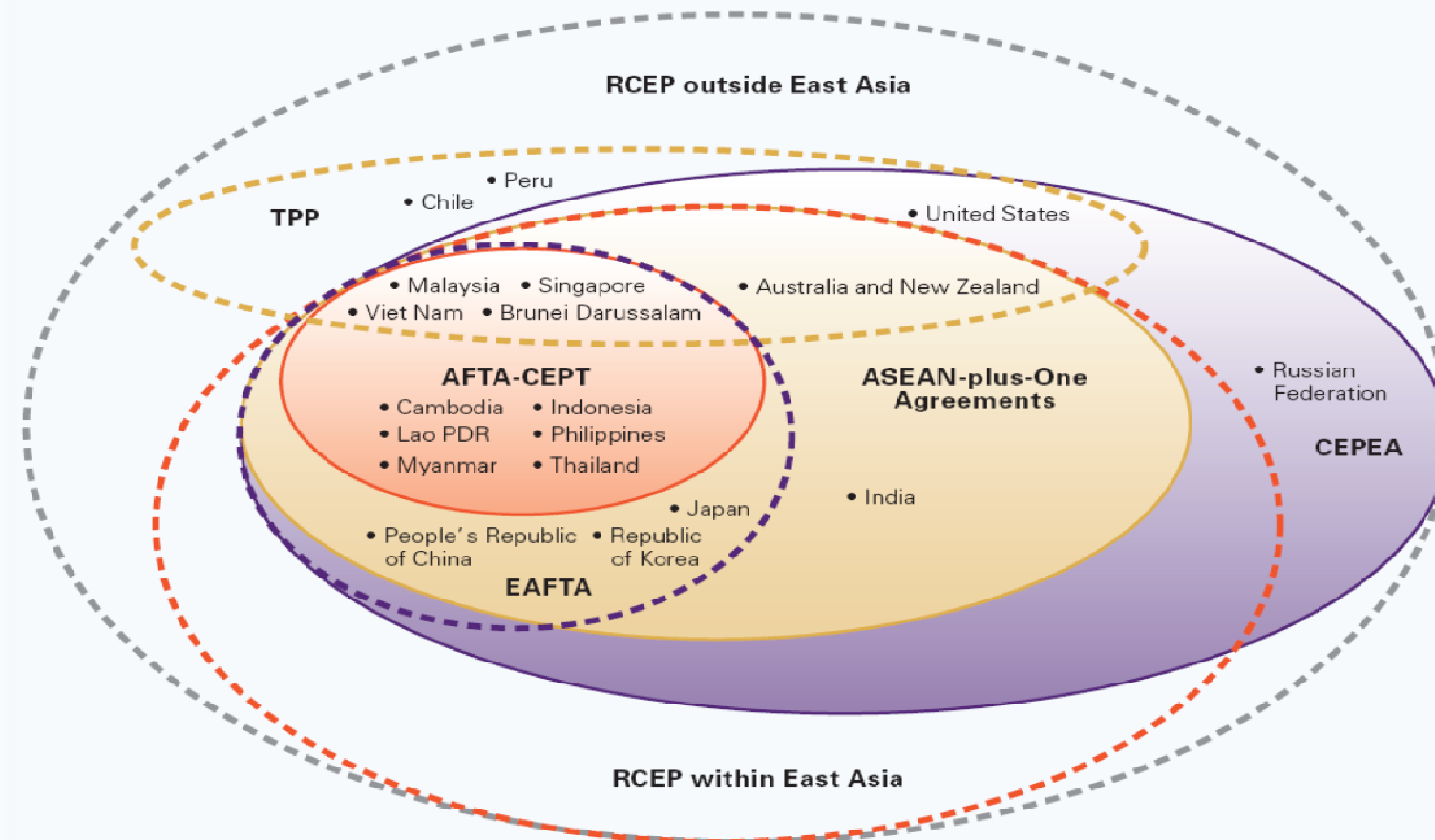
1. Asian Integration and ASEAN Centrality

- ASEAN has taken lead in regional integration
- But still no single ASEAN Voice
- Challenge of the bilateral FTAs, TPP and APEC (Noodle bowl)
- Start of Regional Comprehensive Economic Partnership (RCEP) negotiation in 2013, to be done by 2015!
- Can ASEAN keep its Asian leadership role given China, India, and US. BRICSA ???



Regional Comprehensive Economic Partnership Framework

Figure 1.6. Regional Comprehensive Economic Partnership Framework



AFTA=ASEAN Free Trade Area; ASEAN=Association of Southeast Asian Nations; CEPEA=Comprehensive Economic Partnership for East Asia; CEPT=Common Effective Preferential Tariff; EAFTA=East Asia Free Trade Area; RCEP=Regional Comprehensive Economic Partnership Framework; TPP=Trans-Pacific Partnership.

Source: Authors.

2. ASEAN Territorial Integrity

- Internal border demarcation lines (Cambodia, Thailand, Malaysia and Philippines)
- Maritime disputes with China
- Deal with under the APSC (Political-Security Pillar)
- While ASEAN advocates peaceful resolution, no common position and individual countries to resolve disputes.
- Situation dangerous particular with increased rivalry for access to resources (south China sea)

3. ASEAN Decision Making Process

- Is ASEAN Way sustainable ?
- No hint of any supranationality
- Intermediate way compared to EU?
- Agree that certain institutions and rules and regulations should be fully harmonized ?
- Customs, etc.



THANK YOU

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