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# ASEAN ECONOMIC COMMUNITY SCORECARD

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# ASEAN ECONOMIC COMMUNITY SCORECARD

PERFORMANCE AND PERCEPTION

EDITED BY  
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# FOREWORD

Both this volume and the workshop that led to it were organized and coordinated by Sanchita Basu Das, lead researcher on economic matters in the ASEAN Studies Centre at the Institute of Southeast Asian Studies. On this account alone, and on others as well, we should all be grateful to Sanchita.

As conceived and carried out, the workshop revolved around the concept of a “scorecard” tracking the progress of ASEAN’s march towards the ASEAN (Association of Southeast Asian Nations) Economic Community, which ASEAN has proclaimed itself as intending to achieve by 2015, or three years from the time of the workshop.

I am certainly aware that the ASEAN Secretariat maintains its own scorecard and publishes it as an important portion of its website. However, that scorecard seems to be dominated by things like the number of related ASEAN agreements that member-governments have ratified. Moreover, most of the data are supplied by governments, and what can be published, on the website or otherwise, is determined largely by officials.

Clearly, it is extremely important to know what officials think and what their governments’ policies are. It is even more important to discern ASEAN countries’ aspirations and commitments, which are indicated by the agreements that they conclude, ratify and carry out.

However, building an ASEAN Community, including the ASEAN Economic Community (AEC), involves not just governments and officials but also non-government traders and investors and other people. Furthermore, tracking its progress requires the hard work of sorting out

the situation on the ground, of determining how far ASEAN has really gone in accomplishing the many purposes that the drafters of the AEC Blueprint set for the Community.

This is what this volume seeks to do, and we hope succeeds in doing.

*Rodolfo C. Severino*  
*Head, ASEAN Studies Centre, ISEAS*  
*Secretary-General of ASEAN (1998–2002)*

# PREFACE

This book volume is a result of the ASEAN Roundtable 2012 on “Examining the ASEAN Economic Community (AEC) Scorecard” organized by the ASEAN Studies Centre (ASC) at the Institute of Southeast Asian Studies (ISEAS), along with the Konrad Adenauer Stiftung (KAS) on 25 May 2012 at York Hotel, Singapore. The primary objective of the roundtable was to evaluate the current status of and the progress towards the milestones described in the AEC Blueprint. The policy recommendations necessary to meet the end-goals of AEC was expected to help the policy-makers in the future years.

Before elaborating on the progress of implementing the blueprint, let me first give a brief background on AEC. The ASEAN Leaders signed the Declaration of ASEAN Concord II in October 2003 aiming at AEC as an end goal of its economic integration to be achieved by 2020. The Leaders agreed to accelerate AEC establishment to 2015 during the Summit in January 2007 and adopted the AEC Blueprint in the following Summit in November 2007. The end-goal of the AEC is to create a single market and production base where there is free flow of goods, services, investments, capital and skilled labour.

The AEC Blueprint is the first of its kind for ASEAN. The Blueprint is defined by its four main characteristics, namely 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. It is further elaborated like a grand plan, consisting of roadmaps to deliver specific outcomes (objectives of the AEC). The Blueprint identified 17 “core elements” to be carried out by 176 “priority actions”, all of which are to be undertaken within a “strategic schedule” of four implementation periods (2008–09, 2010–11, 2012–13; and 2014–15). The 17 core elements are listed in Table 1.

**TABLE 1**  
**17 Core Elements of the AEC Blueprint**

<b>Single Market and Production Base</b>	<b>Competitive Economic Region</b>	<b>Equitable Economic Development</b>	<b>Integration into the Global Economy</b>
1. Free flow of goods	8. Competition Policy	14. SME development	16. Coherent Approach towards External
2. Free flow of services	9. Consumer Protection	15. Initiative for ASEAN Integration (IAI)	Economic Relations
3. Free flow of investment	10. Intellectual Property Rights		17. Enhanced participation in global supply networks
4. Freer flow of capital			
5. Free flow of skilled labour	11. Infrastructure Development		
6. Priority Integration Sectors	12. Taxation		
7. Food, Agriculture and Forestry	13. E-Commerce		

*Source:* AEC Blueprint, ASEAN Secretariat, 2008.

The implementation of the Blueprint, as indicated in the AEC Strategic Schedule, is monitored through the AEC Scorecard. The objective of the Scorecard is to follow specific actions that must be undertaken by ASEAN collectively and by its Member States individually to establish AEC by 2015. Till 2012, the ASEAN Secretariat has issued two AEC scorecards, which stipulates that ASEAN has achieved 68.2 per cent of its targets during 2008–11.

This book consists of ten insightful chapters, with seven looking at the core elements of the blueprint — free flow of goods, free flow of services, free flow of investment, free flow of skilled labour, infrastructure development, SME development and Initiative for ASEAN Integration (IAI). The chapters' main focus are to discuss the progress in each of these core elements and hence analyse its effectiveness in meeting the final objective.

This exercise is in parallel to the official AEC scorecard, which gives an aggregate number and is too general to be useful for the understanding of the public. The seven chapters of this publication fill the gap of providing detailed information.

The first introductory chapter links the most important discussions of the later issue-based chapters (chapters 3 to 9). The chapter gives an overall picture of the progress and challenges towards building an AEC and also assesses the usefulness of the AEC Scorecard to meet the said objectives. In addition, the introduction gives concrete policy recommendations that the editor believes would be helpful for the ASEAN policy-makers. The second chapter on “Monitoring the ASEAN Economic Community: Issues and Challenges” gives a brief account of the implementation process as monitored by the official AEC Scorecard. It further discusses the issues and challenges in monitoring the AEC.

The last chapter (chapter 10), a departure from the rest, looks at a country. As an editor for the volume, I felt that it is important to look at Myanmar and its participation in AEC separately. This is because after elections in 2010, Myanmar is now on its way to transform its economy with a slew of political and economic reforms. These reforms will continue as ASEAN prepares to launch its economic community in 2015. A year before that, in 2014, Myanmar will chair ASEAN, which involves hosting the ten-nation group's summits and key political and economic meetings, as well as the wider East Asia Summit that includes the U.S. and Russia. Additionally, Myanmar has not been included in publications looking at ASEAN member countries with respect to

AEC [such as *Achieving the ASEAN Economic Community by 2015: Challenges for Member Countries and Businesses* (2010)]. This volume will address that gap.

I hope this volume will serve as a parallel tool to the official AEC scorecard in order to closely look at the ASEAN economic integration process. The policy-makers, academia and professionals on ASEAN economics can refer to this book to understand the progress and impediments of building an AEC. I hope that the policy-makers will benefit from the recommendations.

*Sanchita Basu Das*  
Editor

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I would like to thank Mr Rodolfo Severino, Head of ASC, for his invaluable advice on the research activity and for writing the foreword for this volume. I acknowledge the chapter writers of this book, who revised their papers to reflect the comments and opinions expressed at the roundtable on 25 May 2012. I thank Ms Moe Thuzar (ASC) who shared her knowledge on Myanmar and ASEAN with us by contributing a chapter in this volume.

Special thanks are also due to Lily Koh and Hnin Wint Nyunt Hman (ASC) who assisted me tirelessly in holding the roundtable at York Hotel, Singapore. I would like to thank Mrs Y.L. Lee and her team at ISEAS for the administrative efforts to make the event a success. Finally, I gratefully acknowledge the dedicated support of Mrs Triena Ong and her staff at the ISEAS Publications Unit for the publication of this book.

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*Road to Recovery:  
Singapore's Journey through the Global Crisis*

