

ASEAN ECONOMIC INTEGRATION BRIEF



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SPECIAL FEATURE

ADVANCING PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT IN ASEAN

REGIONAL ECONOMIC OUTLOOK

UPDATES ON THE ASEAN ECONOMIC COMMUNITY

ASEAN'S ROLE IN THE ASIA-PACIFIC AT TIME OF UNCERTAINTY

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INTRODUCTION

The launch of the sixth issue of the ASEAN Economic Integration Brief (AEIB), the second for this year, comes at an exciting time. ASEAN celebrated its 52nd Anniversary on 8 August 2019, when the region witnessed the inauguration of the new ASEAN Secretariat building by the President of Indonesia, H.E. Joko Widodo. The new building symbolises ASEAN's centrality and unity, as well as the spirit of dialogue and cooperation.

Featuring in the first article of this issue of the AEIB, Deputy Prime Minister and Minister of Commerce of Thailand, H.E. Jurin Laksanawisit, who is also Chair of the ASEAN Economic Ministers, highlights key progress and achievements in the ASEAN Economic Community (AEC) this year. Taking up the theme of 'Advancing Partnership for Sustainability', Thailand's ASEAN Chairmanship is focused on ensuring ASEAN's readiness towards the Fourth Industrial Revolution (4IR), enhancement of connectivity, and the attainment of economic development that is inclusive and sustainable.

In the second article, Co-Chairs of the Pacific Economic Cooperation Council (PECC), Don Campbell and Su Ge, emphasise the critical role that ASEAN plays in helping shape integration process of the Asia-Pacific region. The article also applauds ASEAN's continuous commitment towards integration, both within and beyond Southeast Asia, amidst today's uncertainties.

As in the case with the previous AEIB, the present issue also includes analysis of regional economic outlook, the latest updates on the AEC, as well as the latest key economic indicators relevant to the region.



The new ASEAN Secretariat building (Courtesy of the ASEAN Secretariat)

Advancing Partnership for Sustainable Development in ASEAN

JURIN LAKSANAWISIT

Deputy Prime Minister and Minister of Commerce of Thailand
Chair of the ASEAN Economic Ministers' Meeting in 2019

The world is facing the rising headwinds that act as disruptive forces against the steady growth that the global economy has enjoyed previously. The rising trade tensions among the major economies and the advent of transformative technologies under the Fourth Industrial Revolution (4IR) have all contributed to the rising uncertainties. Recognising these challenges and their potential consequences, Thailand, as ASEAN Chair in 2019, sought to prepare the region by adopting the overall theme of 'Advancing Partnership for Sustainability'. The thinking is that ASEAN, as an integral part of the global community, can mitigate the impact of external forces through enhancing partnerships with the stakeholders from within the region and beyond.

To translate the overall theme into concrete benefits, 13 priority economic deliverables were forwarded under the economic pillar of ASEAN to take the ASEAN Economic Community, or the AEC, into the future. The aims of the deliverables are to prepare ASEAN for the 4IR, enhance connectivity in the region and beyond through trade, investment, and tourism, and to strive for a more sustainable economic development in the region. In 2019, the 13 deliverables have become the focus of the work under the AEC with relevant sectoral bodies working hard to ensure progress in these chosen areas.

The recent technological advancement under the 4IR has led to increasing awareness on their potential impacts on the global economy and the society at large. The introduction of artificial intelligence in business process, the utilisation of FinTech in financial transactions, and the prevalent adoption of Internet of Things in our daily life have the potential to disrupt the way we work and live. Therefore, to prepare ASEAN for the changes and to tap into the opportunities that arise with the 4IR, five of our 13 deliverables for this year focus primarily on the 4IR. In particular, the ASEAN Digital Integration Framework Action Plan 2019 - 2025 and the ASEAN Innovation Roadmap 2019 - 2025 build upon the previous work of Singapore's and Philippines' ASEAN Chairmanship respectively in advancing digital integration and innovation in ASEAN. Meanwhile, the Guideline on Skilled Labour/Professional Services Development in Response to the 4IR and the Policy Guideline on Digitalisation of ASEAN Micro Enterprises are developed to ensure inclusive preparation. In November 2019, ASEAN Leaders will

issue the ASEAN Declaration on Industrial Transformation to Industry 4.0 at the 35th ASEAN Summit, which will demonstrate to the world ASEAN's readiness to embrace innovation and digital technologies to accelerate economic growth and social advancement in the region.



The ASEAN Community is stronger if all ASEAN Member States are connected and work in tandem both within the regional architecture and with the global partners. This year, the aim is to reinforce connectivity through trade, investment, finance, and tourism. A relevant priority, the launch of the innovative financing facilities, namely: the Inclusive Finance Facility and the ASEAN Catalytic Green Finance Facility, has already been completed. These are in addition to the development of the Guideline on ASEAN Local Currency Settlement Cooperation Framework and the ASEAN Gastronomy Tourism Master Plan. Thailand also looks forward to having all ten ASEAN Member States on board the Live Operation of the ASEAN Single Window for the exchange of the electronic Form D under the ASEAN Trade in Goods Agreement, in 2019 to facilitate trade within the region. Most importantly, the conclusion of the Regional Economic Comprehensive Partnership (RCEP) negotiations will be announced at the 35th ASEAN Summit in November 2019 to create the largest Free Trade Area in the world with ASEAN at the centre.

As for the sustainability dimension, the pursuit of economic development in ASEAN is also one that is inclusive and sustainable in the long-term. The Roadmap for ASEAN Sustainable Capital Markets, which was completed in April this year, lays out key strategies and mechanism to strengthen our capital markets as a driving force for sustainable development. The signing of the memorandum of understanding between the ASEAN Centre for Energy and the National Science and Technology Development

Agency of Thailand to support the eventual establishment of the Centre on Biofuels and Bioenergy exemplifies ASEAN's commitment to renewable energy technology development and use in the region. To promote sustainable fisheries, ASEAN has also finalised the concept proposal for the Establishment of ASEAN Network for Combating Illegal, Unreported, and Unregulated (IUU) Fishing and has commenced a Feasibility Study of an ASEAN General Fisheries Policy.

It is important to stress, however, that the deliverables are just a part of what the ASEAN Member States achieved together this year. The conclusion of the two long-standing areas of work in ASEAN namely: the ASEAN Mutual Recognition Arrangement on Type Approval for Automotive Products and the ASEAN

Protocol on Enhanced Dispute Settlement Mechanism, are also major milestones for ASEAN in realising the goal of achieving deeper economic integration in the region. I hope that Thailand's ASEAN Chairmanship in 2019 had made our region better prepared for the future, more connected, and more sustainable. Through the forging of new partnerships, as well as reinforcing the existing ones, Thailand strongly believes that such cooperation will lead to sustainable development that ensures long-term economic growth for the benefits of our people, the society, and for all the ten ASEAN Member States to move forward together without leaving anyone behind. Thailand will continue our support in the ASEAN Community building and we look forward to working closely with Viet Nam as the incoming chair of ASEAN in 2020. ■

REGIONAL ECONOMIC OUTLOOK

Downside risks to global economic growth have risen as trade negotiations between the US and China drag, and trade tensions are at risk of spreading. A marginal slowdown in the global economy is expected as growth forecasts were revised down to 3.0% in 2019 and 3.4% in 2020 (from 3.3% and 3.6%, respectively, as indicated in the fifth issue of the AEIB) (see Table 1). While muted growth is broad-based across countries, near-term forecasts indicate a downturn in advanced economies vis-a-vis a recovery for emerging economies in 2020.

TABLE 1: Real GDP Growth (%)

	2017	2018	2019f	2020f
World	3.8	3.6	3.0	3.4
Advanced Economies	2.4	2.3	1.7	1.7
Emerging and Developing Economies	4.8	4.5	3.9	4.6
ASEAN	5.3	5.2	4.5	4.7
Brunei Darussalam	1.3	0.1	1.0	1.5
Cambodia	7.2	7.5	7.0	6.8
Indonesia	5.1	5.2	5.1	5.2
Lao PDR	6.9	6.3	6.2	6.2
Malaysia	5.7	4.7	4.5	4.7
Myanmar	6.8	6.8	6.6	6.8
Philippines	6.7	6.2	6.0	6.2
Singapore	3.7	3.1	0.7	1.4
Thailand	4.0	4.1	3.0	3.2
Viet Nam	6.8	7.1	6.8	6.7

Source: ASEAN Secretariat (September 2019); Asian Development Bank (September 2019); International Monetary Fund (October 2019).

Note: f – forecast.

The same trend is echoed across the ASEAN region, as forecasts for 2019 and 2020 eased to 4.5% and 4.7%, respectively (from 4.9% and 5.0% as indicated in the fifth issue of the AEIB). Strong domestic demand and investments are seen to sustain and steer the economy towards a mild recovery in 2020. Fiscal spending on social services, transfers, and infrastructure also provide added stimulus in many ASEAN Member States (AMS). In view of the weak inflation and to safeguard

growth, some AMS, particularly the Philippines, Malaysia, and Indonesia, have reduced policy rates, which may have lessened short-term risks. Similarly, advanced economies like the United States (US) and the European Union (EU) have also cut their policy rates.¹

Growth prospects remain delicate and substantial risks are coming from the external sector. For instance, external loans-to-GDP ratios in some AMS had risen since 2010 amid low interest rates (see Table 2), and as the search for higher yield led global banks to expand operations in emerging markets. Sizeable external debt carries risks from exchange rate and interest rate movements, and maturity mismatches. Nonetheless, for most AMS reserves-to-GDP ratios are much higher (than loans-to-GDP ratios), allotting policy space for monetary as well as fiscal policies.

TABLE 2: Cross-border Loans by Member States

	Loans, in US\$ billions			Loans, ratio to GDP (%)			Reserves, ratio to GDP (%)		
	2010	2015	2018	2010	2015	2018	2010	2015	2018
Brunei Darussalam	1.1	1.5	2.4	8.0	11.9	17.9	11.4	26.0	25.1
Cambodia	0.4	6.8	9.6	3.5	37.6	38.9	23.6	28.2	41.2
Indonesia	50.2	87.2	89.8	7.1	10.2	8.6	13.5	12.4	11.6
Lao PDR	0.4	7.2	12.1	5.6	50.1	66.8	10.8	7.3	6.1
Malaysia	29.6	46.9	65.6	11.8	15.7	18.3	42.5	31.8	29.0
Myanmar	0.2	5.2	4.6	0.6	8.7	6.0	2.1	8.0	8.2
Philippines	20.3	23.1	21.0	10.2	7.9	6.1	31.2	27.6	23.1
Singapore	438.0	515.2	595.2	182.6	167.3	163.5	94.1	80.4	79.0
Thailand	31.6	50.5	52.2	9.3	12.6	10.3	50.4	39.0	40.7
Viet Nam	13.2	30.8	39.3	11.4	15.9	16.3	10.6	14.6	24.6

Source: Calculations by the ASEAN Secretariat using the Bank for International Settlement cross-border loans data (October 2019).

¹ The US reduced its policy rate target to 2.125% in July, and to 1.875% in September; while EU reduced its deposit facility rate from -0.40% to -0.50% in September. The EU last reduced its interest rates in March 2016.

Trade and Investment

The outlook for global trade in goods remains downcast, and trade in services is likely to follow the downtrend.² World merchandise trade volume is projected to grow by 1.2% in 2019 (from 3.0% in 2018), and by 2.7% in 2020.³ Global trade flows came under pressure from increased uncertainty, dampening business and consumer confidence.

ASEAN's trade sector is softening as the expansion in goods and services trade receded in 2018. Trade in goods grew 9.3% to US\$ 2.8 trillion (from 15.1% in 2017), while services increased by 7.7% (from 9.6% in 2017) to US\$ 778.6 billion. Intra-ASEAN accounted for 23.0% of ASEAN's total merchandise trade, while China (17.2%), EU (10.2%), and US (9.3%) were the main external partners. In services, 15.7% of total ASEAN trade was intra-regional.

In 2018, foreign direct investment inflows to ASEAN was the highest in history at US\$ 154.7 billion, though this is at a modest growth of 5.3% compared to 23.5% in 2017. Total inflows were 15.9% intra-ASEAN, followed by EU (14.2%), Japan (13.7%), and China (6.6%). Moreover, 67.3% was equity while 28.3% were reinvested earnings. By sector, services accounted for 60.7% of total

² World Trade Outlook Indicator, May and September 2019.

³ WTO Trade Statistics and Outlook, October 2019.

inflows, while manufacturing took 35.6%. The share of the primary sector fell to minus 1.2% given major divestments in mining.

Conclusion

A sustained growth momentum grows fainter due to weaker production and trade growth at the global and regional levels, persistent threats to multilateralism in trade and investments, and geopolitical risks, among others. Amidst these uncertainties, ASEAN has improved its capacity to weather risks, and to manage macroeconomic and financial volatilities. Nevertheless, intra-ASEAN trade and investment linkages, connectivity, and sectoral cooperation have to be strengthened to improve collective resilience to external shocks.

Bearing in mind the challenging outlook, ASEAN should remain attentive and responsive to risks, and keep the focus on strengthening its role in the global governance system. ASEAN has come a long way in this area, with the Regional Comprehensive Economic Partnership, which is now on its seventh year of negotiations and is targeted for conclusion this year; and the adoption of the ASEAN Outlook on the Indo-Pacific,⁴ which aims to bring the region together, internally and with its partners, away from the narrative of rivalry to one on cooperation and shared prosperity. ■

⁴ Adopted at the 34th ASEAN Summit in June 2019, this stipulates four priority areas for cooperation: maritime cooperation, connectivity, the UN Sustainable Development Goals or Agenda 2030, and economic and other areas of cooperation.

UPDATES ON THE ASEAN ECONOMIC COMMUNITY¹

Implementation of the AEC Blueprint 2025 continues to progress through the implementation of the priority economic deliverables under Thailand's ASEAN Chairmanship in 2019 as well as of other AEC priorities for this year.

On the 13 Priority Economic Deliverables under Thailand's ASEAN Chairmanship, the updates are as follows:

- The ASEAN Digital Integration Framework Action Plan (DIFAP) 2019-2025, adopted at the 51st ASEAN Economic Ministers (AEM) Meeting in September 2019 for endorsement by the AEC Council Ministers in November 2019, translates the following six priority areas of the DIF into an action plan: facilitating seamless trade, protecting data while supporting digital trade and innovation, enabling seamless digital payments, broadening the digital talent base, fostering entrepreneurship, and coordinating actions.

- The ASEAN Innovation Roadmap 2019-2025 will be adopted by the ASEAN Meeting on Science, Technology and Innovation and endorsed by the AEC Council Ministers within 2019. Building on the ASEAN Declaration on Innovation, the ASEAN Innovation Roadmap details initiatives and responsible bodies in six areas namely: policy, enterprise readiness, workforce readiness, Science, Technology and Innovation Solutions for Sustainable Development Goals, (e) Intellectual Property Rights System, and (f) Dialogue Partners Collaboration.

- The Guideline on Skilled Labour/Professional Services Development in Response to the Fourth Industrial Revolution (4IR) and the Policy Guideline on Digitalisation of ASEAN Micro Enterprises were both adopted at the 51st AEM Meeting. The former suggests strategies and actions for government and private sector to prepare the workforce for the 4IR, while the latter serves as a reference to policy makers in fostering an enabling environment for micro

¹ The period covered in this update is from July to October 2019

enterprises to formalise and utilise digital tools to participate and develop in global markets.

- The ASEAN Declaration on Industrial Transformation to Industry 4.0 reaffirms ASEAN's commitment to advance Industry 4.0 through the development of an ASEAN consolidated strategy on the 4IR, was adopted at the 51st AEM Meeting for issuance at the 35th ASEAN Summit in November 2019.
- The finance-related deliverables, as mentioned in the June 2019 issue, were launched at the 23rd ASEAN Finance Ministers Meeting, namely the Roadmap for ASEAN Sustainable Capital Markets was endorsed and two new innovative windows of the ASEAN Infrastructure Fund namely: (1) Inclusive Finance Facility, and (2) ASEAN Catalytic Green Finance. The Guideline on ASEAN Local Currency Settlement Cooperation Framework, which aims to promote the use of ASEAN local currencies for trade transactions in ASEAN, has been developed.
- On 1 July 2019, Cambodia became the 7th ASEAN Member State to participate the live exchange of the ATIGA e-Form D through the ASEAN Single Window, joining Indonesia, Malaysia, Singapore, Thailand, Viet Nam, and Brunei Darussalam. The remaining Member States – Lao PDR, Myanmar and the Philippines – are also expected to join within the year.
- The ASEAN Gastronomy Tourism Master Plan is expected to be adopted by the ASEAN Tourism Ministers within the year. It serves as a guide addressing sustainable food systems and enhance the livelihoods of local communities through gastronomy tourism, as well as activate a network of experts in the fields of agriculture, culture, art, tourism and gastronomy.
- The memorandum of understanding (MOU) between the ASEAN Centre for Energy and the National Science and Technology Development Agency of Thailand to support the eventual establishment of the Centre for Biofuels and Bioenergy was signed on 5 September 2019.
- On promoting sustainable fisheries, the 41st ASEAN Ministers on Agriculture and Forestry Meeting adopted the Concept Proposal on the Establishment of an ASEAN Network for Combating IUU Fishing, while the ASEAN General Fisheries Policy Feasibility Study has commenced.
- Lastly, the Regional Economic Comprehensive Partnership (RCEP) negotiations have progressed to the final stage with targeted conclusion within the year.

In addition to these Priority Economic Deliverables, other key achievements for 2019 include:

- The ASEAN Free Trade Area (AFTA) Council's endorsement in September 2019 of the Terms of Reference for the General Review of the ASEAN Trade in Goods Agreement, as well the ATIGA Operational Certification Procedures and amended Certificate of Origin Form D to facilitate the implementation of the ASEAN Wide Self-Certification Scheme by 2020.
- On services and investment, eight AMS have now signed the ASEAN Trade in Services Agreement and nine AMS have signed the Fourth Protocol to Amend the ASEAN Comprehensive Investment Agreement (ACIA).
- On standards, the ASEAN Mutual Recognition Arrangement on Type Approval for Automotive Products has been finalised and is ready for signing.
- On intellectual property, key developments include the launch of the ASEAN Patent Examination Co-operation Acceleration for Industry 4.0 Infrastructure and Manufacturing (ASPEC-AIM) Programme in August and the completion of the feasibility study on an ASEAN IP Academy.
- On good regulatory practices (GRP), the Baseline Study on Regulatory Management Systems (RMS) in ASEAN, which is currently being conducted by the Economic Research Institute for ASEAN and East Asia, maps RMS developments in the region and the practical application of ASEAN GRP Core Principles.
- The Special Meeting of the Committee of the Whole of the AEC on the 4IR was held on 13 July, bringing together representatives of relevant sectoral bodies across the three community pillars, the private sector, and expert to discuss ASEAN's next steps on the 4IR. The ASEAN Secretariat is tasked to develop a Consolidated Strategy on 4IR, which will articulate clearly and holistically ASEAN's 4IR agenda and directions.
- On the ASEAN Smart Cities Network (ASCN), the terms of reference of the ASCN was endorsed this year, and Singapore was elected as the ASCN Shepherd for the next two years.
- On Food, Agriculture, and Forestry, the MOU on ASEAN Cooperation in Agriculture and Forest Products Promotion Scheme (2019-2024) was signed at the 41st AMAF Meeting to strengthen the collective bargaining position of ASEAN on matters affecting trade in covered products.
- On energy cooperation, efforts to promote multilateral power trade in the ASEAN Power Grid continue with the increase in committed energy capacity trade in the Lao PDR, Malaysia and Thailand Power Integration Project from 100 megawatts to 300 megawatts.

- On science, technology, and innovation (STI), the ASEAN Platform on STI for Disaster and Climate Resilience was launched in October. Other developments include progress in setting up the ASEAN High Performance Computing Infrastructure and the receipt of proposals for R&D projects under the ASEAN Diagnostics Development initiative, a cross-cutting initiative on STI and health.
- On statistical cooperation, ASEAN has uploaded the online preliminary data on the ASEAN Sustainable Development Goals Indicators in ASEANstats website. At the 9th Session of the ASEAN Community Statistical System Committee (ACSS) Committee in October 2019, the ACSS endorsed the Implementation Plan for the ACSS Open Data Initiative for Statistics.
- On external economic relations, the ASEAN-Canada Exploratory Discussions for a Possible ASEAN-Canada FTA was fully completed in September 2019, and Parties agreed to exchange views on the next steps in the first half of 2020. Discussions are under way on the possible Expert Dialogue and scheduled meeting to consider follow-ups on development of a framework setting out the parameters for a future ASEAN-EU FTA. Parties are also working toward the full ratification of the ASEAN-Hong Kong, China Free Trade Agreement and ASEAN-Hong Kong, China Investment Agreement by the end of this year. Other efforts to upgrade existing ASEAN FTAs include ongoing work towards the full implementation of the ASEAN-China Free Trade Area Upgrading Protocol and the recent agreement by economic ministers to initiate the review of the ASEAN-India Trade in Goods Agreement.
- The ASEAN Secretariat conducted the AEC Monitoring and Evaluation Country Visit in Myanmar in September 2019, and will conduct the next one in Singapore in December 2019, making these the 5th and 6th M&E Country Visits since 2016. The ASEAN Secretariat is also set to undertake the Mid-Term Review of the AEC Blueprint 2025 from 2020 to early 2021 with oversight by the High-Level Task Force for ASEAN Economic Integration.
- The ASEAN Integration Report 2019, which provides key updates on the first four years of implementation of the AEC Blueprint 2025, is due for release this month, November 2019. ■

ASEAN's Role in the Asia-Pacific at Time of Uncertainty

DON CAMPBELL and SU GE

Co-Chairs of Pacific Economic Cooperation Council

Thirty years ago in November 1989 ministers from 12 Asia-Pacific economies gathered in Australia for what would become known as the Asia-Pacific Economic Cooperation (APEC) forum. ASEAN played a critical role in the foundation of APEC and through the years they have developed complementary roles in the development of the region. That relationship is critical as the world confronts an increasingly uncertain economic outlook and the multilateral institutions that have underpinned the global system are under threat.

In a speech in January 1989, the late Australia Prime Minister Bob Hawke, outlined his rationale for APEC saying that "...these opportunities cannot fully be exploited unless we are prepared, as individual nations and as a region, to do the hard work that will be involved. Today I want to discuss one focus for that work: how we as a region can better cooperate so that our future, individually and regionally, is a secure and prosperous one." ASEAN and APEC are the embodiment of that ethos. As much as PECC laid the intellectual foundation for APEC, it was ASEAN's series of post-ministerial consultations, launched in the 1980s that demonstrated the value

of regular consultations among ministers from both developed and developing economies in the region.

The journey from that speech in Seoul in January 1989 to the Ministerial meeting in November was not an easy one. In building the international consensus for APEC, the first stop by Hawke's special envoy was to ASEAN members. This was no accident. ASEAN participation was critical to the success of the initiative and there were concerns that the creation of and participating in another regional process would potentially undermine



Don Campbell



Su Ge

ASEAN's own community building efforts. However, ASEAN members did see the need for broader and deeper engagement in the Asia-Pacific and thus

developed their own consensus for joining. Indeed, given the diversity of the membership of APEC, the underlying values of ASEAN of voluntarism and consensus-building and equality were brought into APEC as fundamental principles.

The historical perspective is a useful one. In making his argument for APEC, Hawke said that “serious cracks are appearing in the international trading system which have major implications for the future health of both our region and the world economy.” He cited trade imbalances between the US and a number of regional economies, the trend towards trading blocs; and the tensions within the multilateral trading system as causes for concern. These sound all too familiar.

It is fitting given that Thailand is the current ASEAN chair to quote from a common founder of both PECC and ASEAN, Tun Thanat Khoman, who on ASEAN’s founding spoke of “building a new society that will be responsive to the needs of our time and efficiently equipped to bring about, for the enjoyment and the material as well as spiritual advancement of our peoples, conditions of stability and progress.”

That need to be responsive is more evident than ever with the Fourth Industrial Revolution. These technologies promise more inclusive societies through mobile banking, e-healthcare, and online learning. At the same time, they threaten the stability and cohesion of societies. The very nature of these technologies tells us that the greatest benefits will come when our approach is global. The fewer barriers we have,

the more people will be able to benefit. The best approach would be for a global agreement on how to treat new technologies, in their absence we need to seek different solutions. ASEAN can play a pioneering role by moving swiftly to address these issues. It has already come some of the way with its Ecommerce Agreement and Digital Integration Framework. These will help ASEAN members to reap the benefits of the digital economy, the work cannot stop there. ASEAN, along with PECC is one of APEC’s official observers. That relationship could be leveraged more in a focused manner to inform both APEC’s as well as ASEAN’s own work. At the same time, ASEAN could play a role in ongoing global plurilateral initiatives on ecommerce and others that would update global trade rules.

As part of PECC’s work, each year we conduct a survey of the Asia-Pacific policy community on their views on the State of the Region. In spite of a somewhat bleak view on the economic outlook for the global economy and all major economies, Southeast Asia stands out as having positive prospects. Perhaps it is the knowledge that in spite of the uncertainties facing the global system, ASEAN continues to push ahead on the path of integration, addressing not just traditional issues but the next generation ones as well. From the perspective of the broader Asia-Pacific, one initiative that requires ASEAN leadership the most at this juncture is the Regional Comprehensive Economic Partnership. A swift conclusion to those negotiations would send the strongest positive signal to the rest of the world. ■

Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect those of ASEAN, ASEAN Member States, or the ASEAN Secretariat.

UPCOMING PUBLICATION

ASEAN INTEGRATION REPORT 2019

The **ASEAN Integration Report (AIR) 2019**, a flagship publication of the ASEAN Integration Monitoring Directorate of the ASEAN Secretariat, will be released in November 2019.

The AIR 2019 provides a comprehensive assessment of progress and achievements in ASEAN economic integration since the adoption of the ASEAN Economic Community Blueprint 2025 in 2015.



ASEAN Member States: Selected Key Indicators 2018



Economy

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
GDP at current price (US\$b)	13.6	24.6	1,041.6	18.1	358.4	77.3	342.7	364.1	505.1	241.0	2,986.4
GDP per capita (US\$)	30,644.6	1,541.4	3,930.2	2,627.5	11,067.2	1,440.8	3,214.8	64,567.3	7,445.8	2,546.2	4,601.0
Real GDP growth (%)	0.1	7.5	5.2	6.3	4.7	6.8	6.2	3.1	4.1	7.1	5.2
Inflation rate, average (%)	0.2	2.5	3.2	2.0	0.9	6.9	5.3	0.4	1.1	3.5	0.2-6.9



Trade

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Total trade in goods (US\$m)	10,728.8	30,190.3	385,534.6	11,389.0	464,821.0	35,991.3	182,607.1	782,656.9	432,977.9	479,806.7	2,816,703.5
- Intra-ASEAN (%)	29.8	26.5	23.9	60.6	27.2	35.8	21.6	25.6	23.6	11.7	23.0
- Extra-ASEAN (%)	70.2	73.5	76.1	39.4	72.9	64.2	78.4	74.4	76.4	88.3	77.0
- Total exports (US\$m)	6,571.4	12,700.3	180,012.7	5,540.8	247,354.0	16,654.2	67,487.9	411,973.3	241,010.5	242,969.2	1,432,274.3
- Total imports (US\$m)	4,157.4	17,490.0	205,521.9	5,848.1	217,467.1	19,337.1	115,119.2	370,683.6	191,967.4	236,837.4	1,384,429.2
Total trade in services (US\$m)	2,149.1	8,495.4	63,073.2	2,075.6	84,721.9	8,147.0	64,444.5	366,645.1	136,505.0	42,365.8	778,622.6
- Total exports (US\$m)	570.6	5,451.2	28,002.5	921.4	40,164.5	4,690.4	37,468.7	182,500.0	81,331.4	23,754.8	404,855.6
- Total imports (US\$m)	1,578.5	3,044.1	35,070.7	1,154.1	44,557.5	3,456.6	26,975.8	184,145.1	55,173.6	18,611.0	373,767.1



Investment

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Total FDI inward flows (US\$m)	503.9	3,102.6	21,979.9	1,319.6	8,071.6	3,554.0	9,802.4	77,630.5	13,248.5	15,500.0	154,713.0
- Intra-ASEAN (%)	12.6	25.4	53.9	15.3	5.9	59.4	10.1	4.4	13.8	18.4	15.7
- Extra-ASEAN (%)	87.4	74.6	46.1	84.7	94.1	40.6	89.9	95.6	86.2	81.6	84.3



Socio-Demography

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Population ('000)	442.4	15,981.8	265,015.3	6,887.1	32,385.0	53,625.0	106,598.6	5,638.7	67,831.6	94,666.0	649,071.5
Unemployment rate (%)	9.2	1.1	5.3	0.6	3.3	1.0	5.4	2.9	1.1	2.2	3.8
Life expectancy (years)	77.5	70.6	71.2	67.0	75.0	66.7	69.2	83.2	75.5	73.5	73.5



Connectivity

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Internet subscribers per 100 persons	94.6	40.0	39.8	35.4	81.2	33.1	73.1	88.2	56.8	70.4	53.4
Cellular phones per 100 persons	131.9	119.5	119.8	51.9	134.5	113.8	110.4	145.7	180.2	147.2	128.3
Visitor arrivals ('000)	278.1	6,201.1	15,810.3	4,186.4	25,832.4	3,551.4	7,127.7	18,508.3	38,277.3	15,497.8	135.3
- Intra-ASEAN (%)	48.4	33.3	34.5	69.0	70.1	54.0	7.4	35.2	26.9	11.5	36.7
- Extra-ASEAN (%)	51.6	66.7	65.5	31.0	29.9	46.0	92.6	64.8	73.1	88.5	63.3

Source : ASEAN Secretariat, UNCT

Note: Figures in black fonts are 2018 preliminary data; blue fonts are 2017 data

ASEANstats data and its statistical publications can be accessed at: <http://www.aseanstats.org/>