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ASEAN-10 Competitiveness, Impact of Global Growth Engines, Regional Economic Integration through Free Trade Agreements

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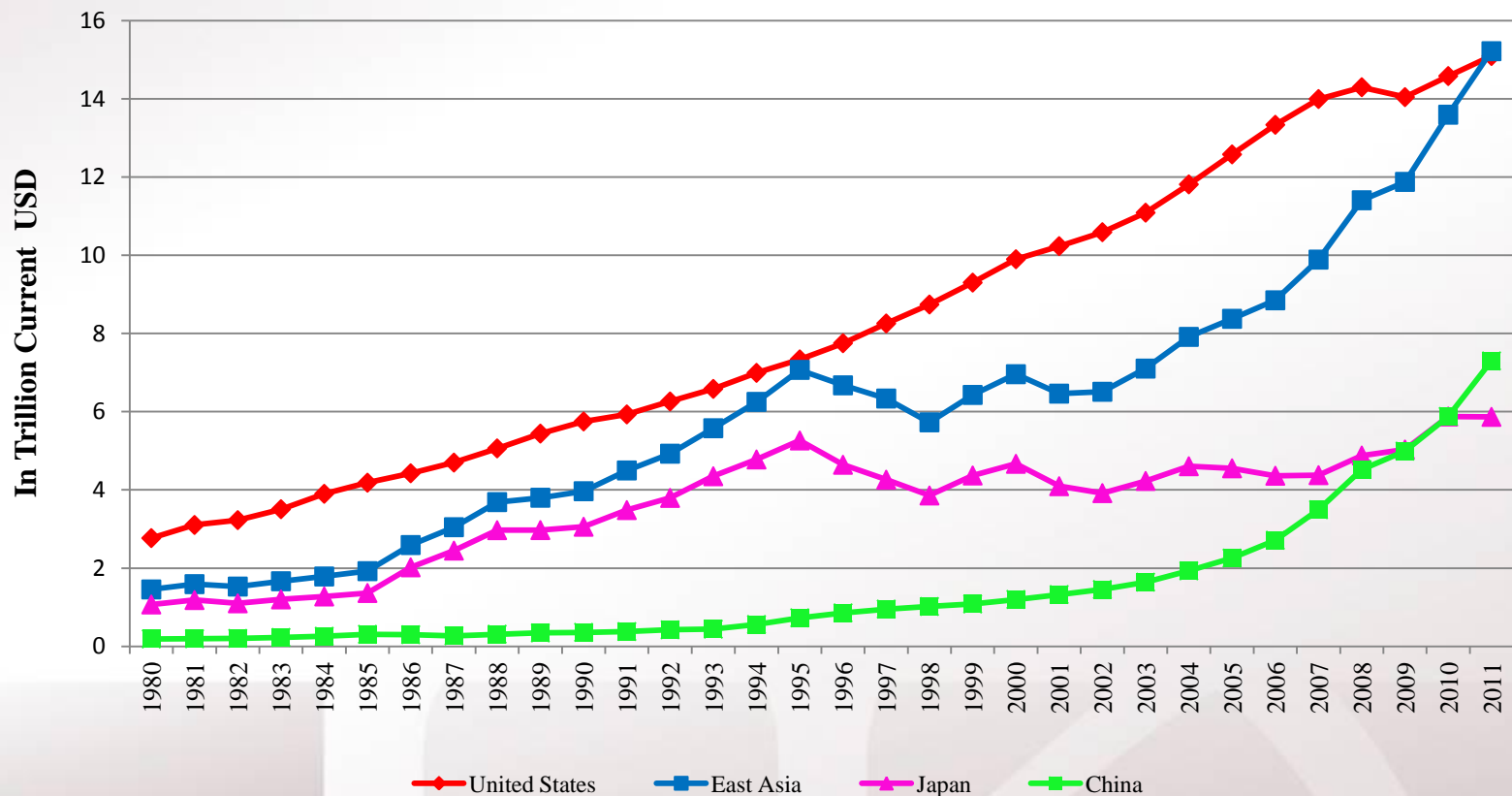
Presentation outlines

1. Introduction: GDP of world's major economies & the flying geese theory
2. Competitiveness Ranking: Methodological framework
3. Competitiveness Ranking: Results and discussion
4. Emerging policy issues
 - Regional economic integration
 - China-ASEAN connectivity
 - Japan ASEAN connectivity
5. Growth strategies: Global growth engines and strategic direction for promoting growth
6. ASEAN-relate FTAs, Singapore-related FTAs and Conclusion

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GDP of China, Japan, United States and East Asia, 1980-2011



Source: World Bank Database

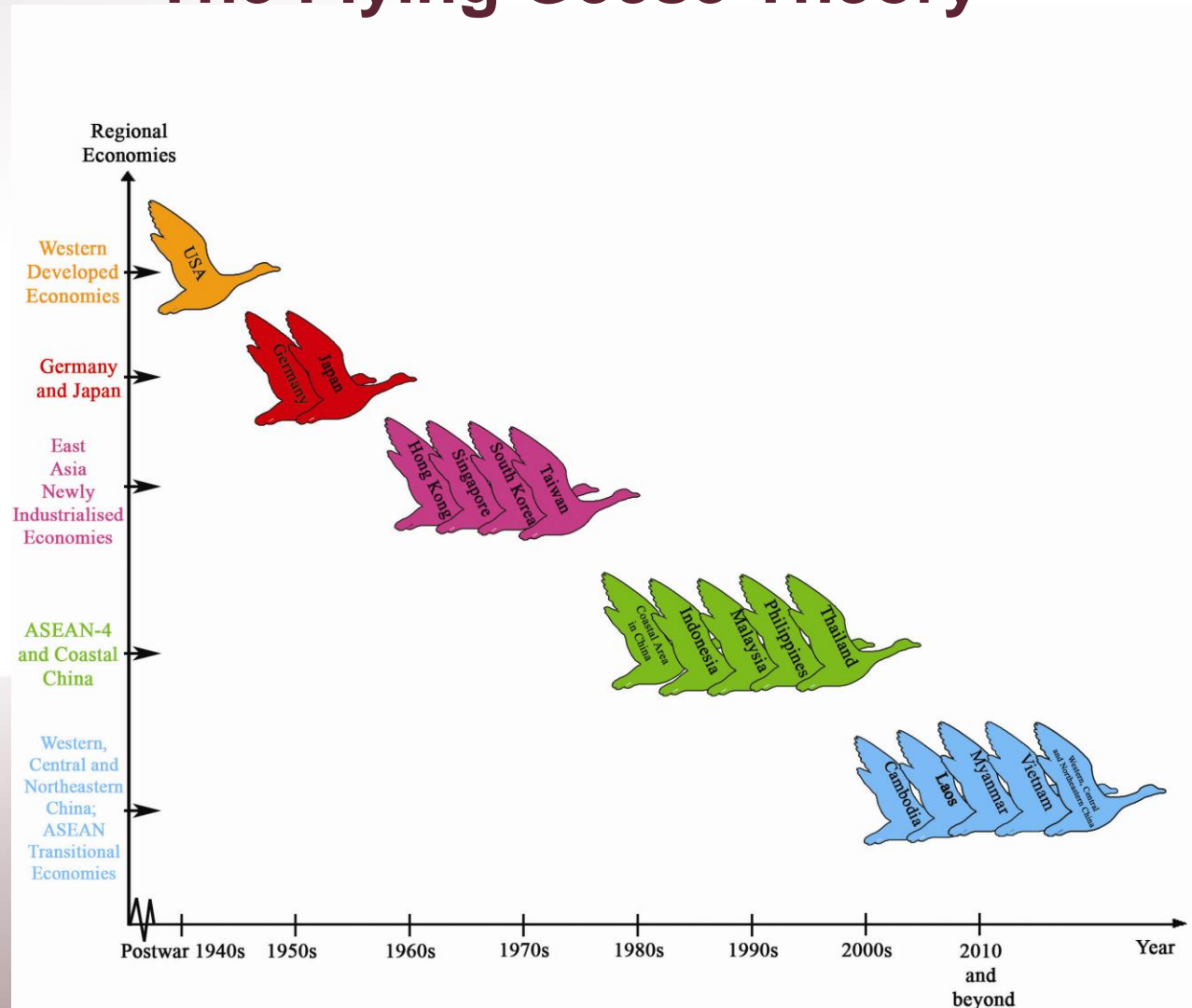
East Asia include China, Japan, South Korea, Taiwan, Hong Kong, Singapore and ASEAN-4 countries (Malaysia, Thailand, Indonesia and Philippines)

ASEAN-10 is home to about 600 million people combined GDP of US\$3.1 trillion PPP adjusted (2010)

Group	Population		GDP (PPP\$)		Income Level (World=1.0)
	(million)	Share in world	(billion)	Share in world	
ASEAN-10					
Brunei	0.4	0.01%	20.1	0.03%	4.6
Cambodia	14.1	0.2%	30.8	0.04%	0.2
Indonesia	239.9	3.5%	1,032.3	1.4%	0.4
Lao PDR	6.2	0.1%	15.9	0.02%	0.2
Malaysia	28.4	0.4%	431.2	0.6%	1.4
Myanmar	48.0	0.7%	76.8	0.1%	0.1
Philippines	93.3	1.4%	367.8	0.5%	0.4
Singapore	5.1	0.1%	293.4	0.4%	5.2
Thailand	69.1	1.0%	587.5	0.8%	0.8
Vietnam	86.9	1.3%	276.8	0.4%	0.3
ASEAN-10	591.4	8.6%	3,132.7	4.1%	0.5
China	1,337.8	19.4%	10,105.0	13.2%	0.7
India	1,224.6	17.8%	4,122.3	5.4%	0.3
World	6,894.4	100%	76,296.5	100%	1.0

Source: WDI (2012)

The Flying Geese Theory



Nominal GDP and GDP Per Capita of Major Economies, 2012

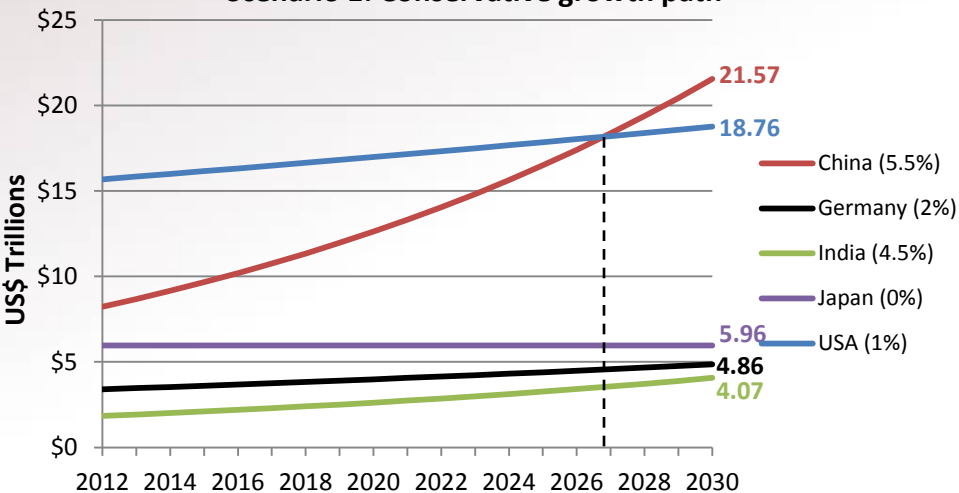
	Nominal GDP (2012)				Nominal GDP adjusted for PPP (2012)			
	Total (in US\$)	(rank)	Per Capita (in US\$)	(rank)	Total (in US\$)	(rank)	Per Capita (in US\$)	(rank)
United States	15.68 Trillion	(1 st)	49,965	(10 th)	15.68 Trillion	(1 st)	49,965	(8 th)
China	8.22 Trillion	(2 nd)	6,091	(79 th)	12.47 Trillion	(2 nd)	9,233	(83 rd)
Japan	5.95 Trillion	(3 rd)	46,720	(12 th)	4.48 Trillion	(4 th)	35,178	(22 nd)
Germany	3.39 Trillion	(4 th)	41,514	(18 th)	3.35 Trillion	(6 th)	40,900	(16 th)
France	2.61 Trillion	(5 th)	39,772	(20 th)	2.37 Trillion	(7 th)	36,104	(21 st)
United Kingdom	2.43 Trillion	(6 th)	38,514	(21 st)	2.33 Trillion	(9 th)	36,901	(20 th)
Brazil	2.25 Trillion	(7 th)	11,340	(53 rd)	2.36 Trillion	(8 th)	11,909	(66 th)
Russian Federation	2.01 Trillion	(8 th)	14,037	(41 st)	3.37 Trillion	(5 th)	23,501	(38 th)
Italy	2.01 Trillion	(9 th)	33,049	(23 rd)	2.01 Trillion	(11 th)	33,111	(23 rd)
India	1.84 Trillion	(10 th)	1,489	(132 nd)	4.79 Trillion	(3 rd)	3,876	(115 th)
Singapore	274 Billion	(32 nd)	51,709	(9 th)	328 Billion	(38 th)	61,803	(4 th)

*Source: World Bank national accounts data, and OECD National Accounts data files

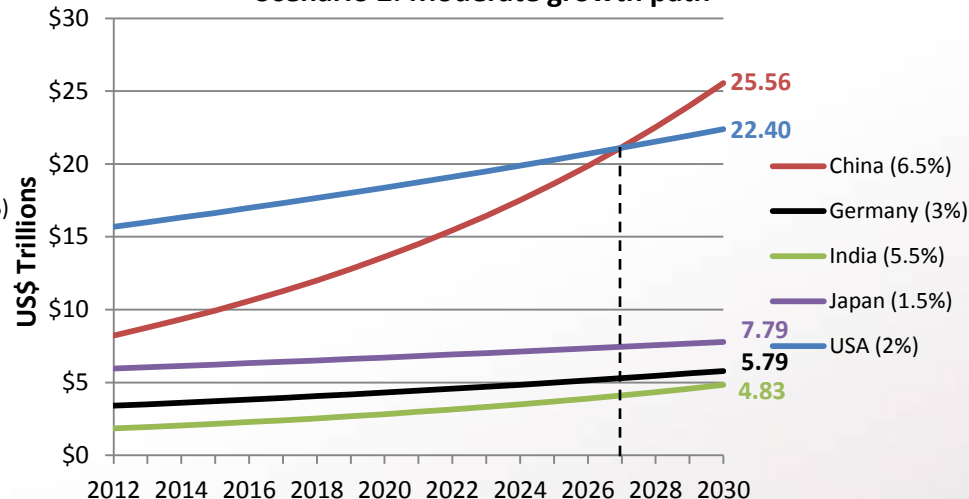
<http://data.worldbank.org/>; Retrieved on 20 August, 2013

Projected Nominal GDP Growth Paths, 2012-2030[^]

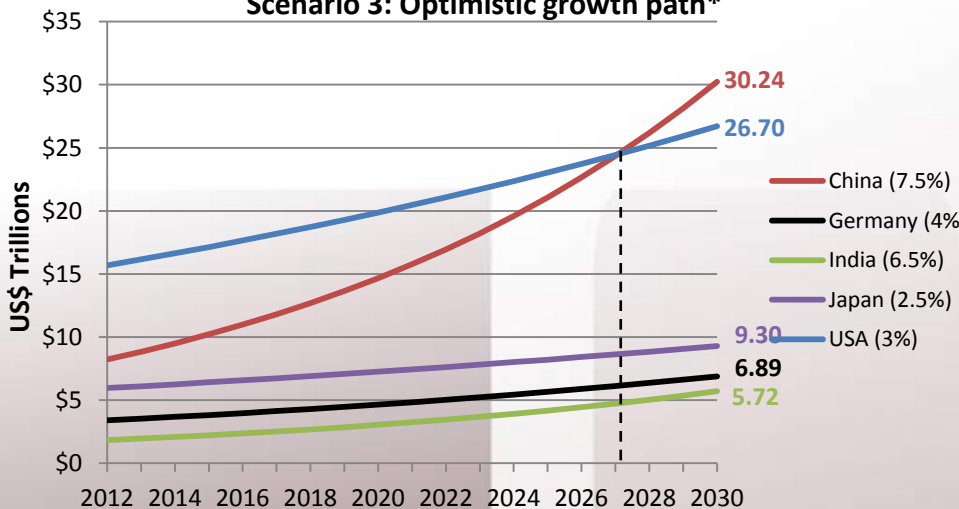
Scenario 1: Conservative growth path*



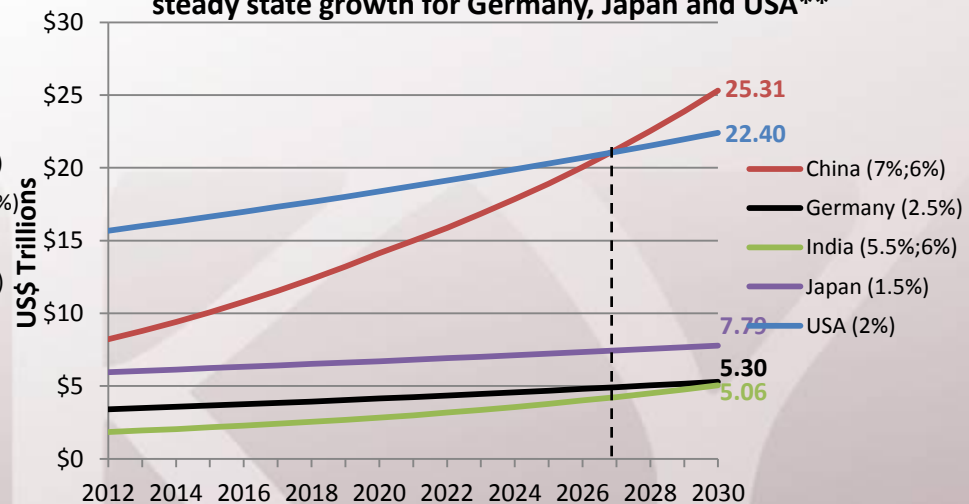
Scenario 2: Moderate growth path*



Scenario 3: Optimistic growth path*



Scenario 4: Dynamic growth path for China and India with steady state growth for Germany, Japan and USA**



* Average growth for period 2012-2030

Source: World bank., ^ Projected by ACI at LKYSPP, NUS

** For China 2012-2020, 7% p.a.; 2021-2030, 6% p.a.

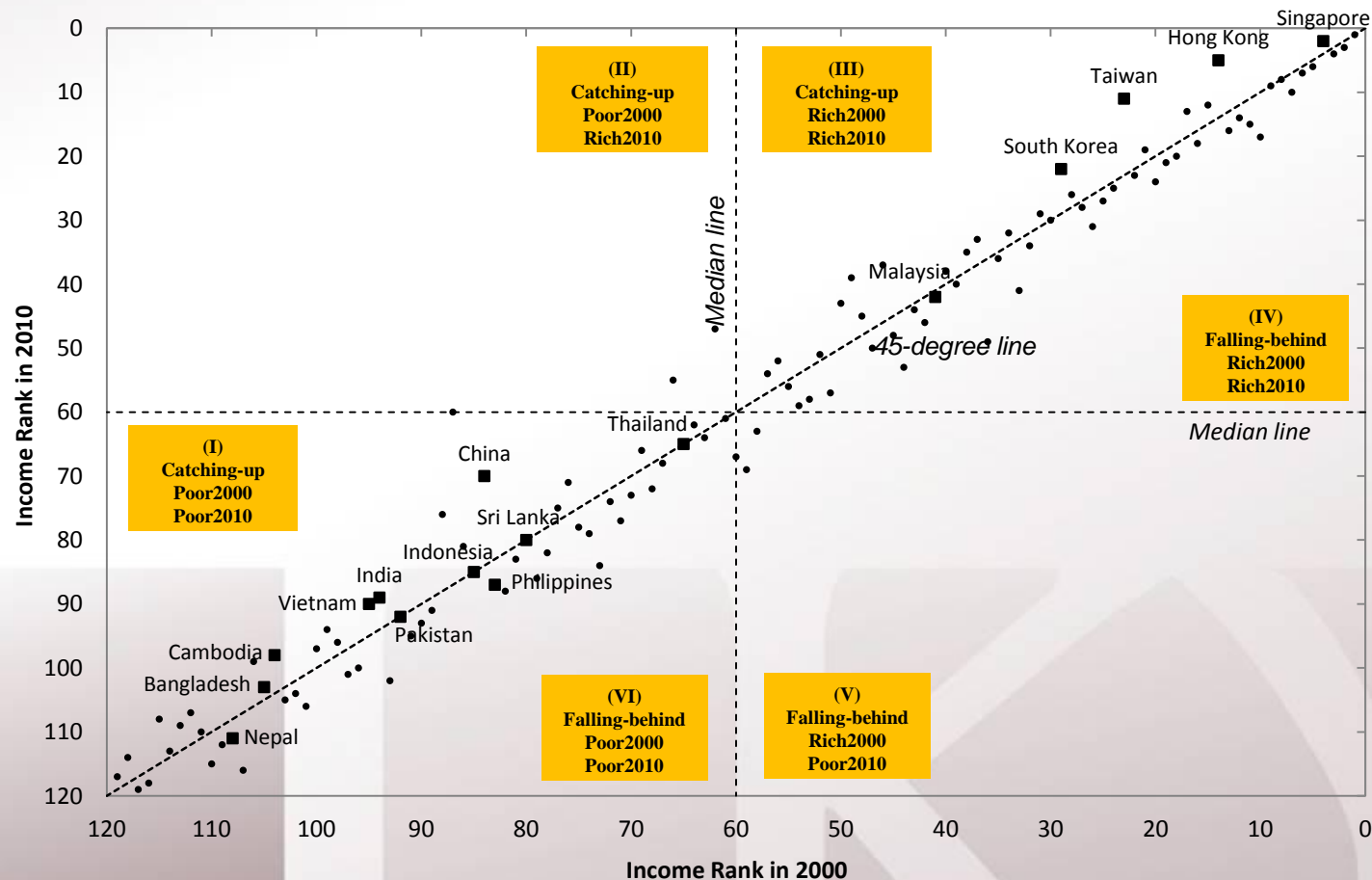
For India 2012-2020, 5.5% p.a.; 2021-2030, 6% p.a.

The Global Economic Reality : Calling a spade a spade

- The Chinese economy or the Chinese government is not amount to collapse any time soon, and China will be the biggest economy in the world before 2027 under different growth scenarios. AS the world approaches 2027, tension between USA (and possibly Japan) with China is expected to intensify and more so in 2023 when China's new leadership for 2023-2033 kicks in.
- China must share her economic prosperity with the rest of the world especially the relatively lesser developed ASEAN under the modality of flying gees theory and East Asia model of development through releasing production bottlenecks by way of infrastructure investment.
- USA and Japan must return to Asia economically to balance the increasing over-dependence of ASEAN or dominance of China rather than excessive military build-up to contain China.
- As our empirical results have shown, intra-ASEAN trade is insignificant and the ASEAN Plus economic formulae is important to generate growth momentum for the Asian region while maintaining ASEAN centric in it's the ASEAN plus vehicle with Indonesian and Malaysia playing the leading role.

Asian economies were on a notable catching-up trend during 2000-2010 but the performance of ASEAN countries was not outstanding...

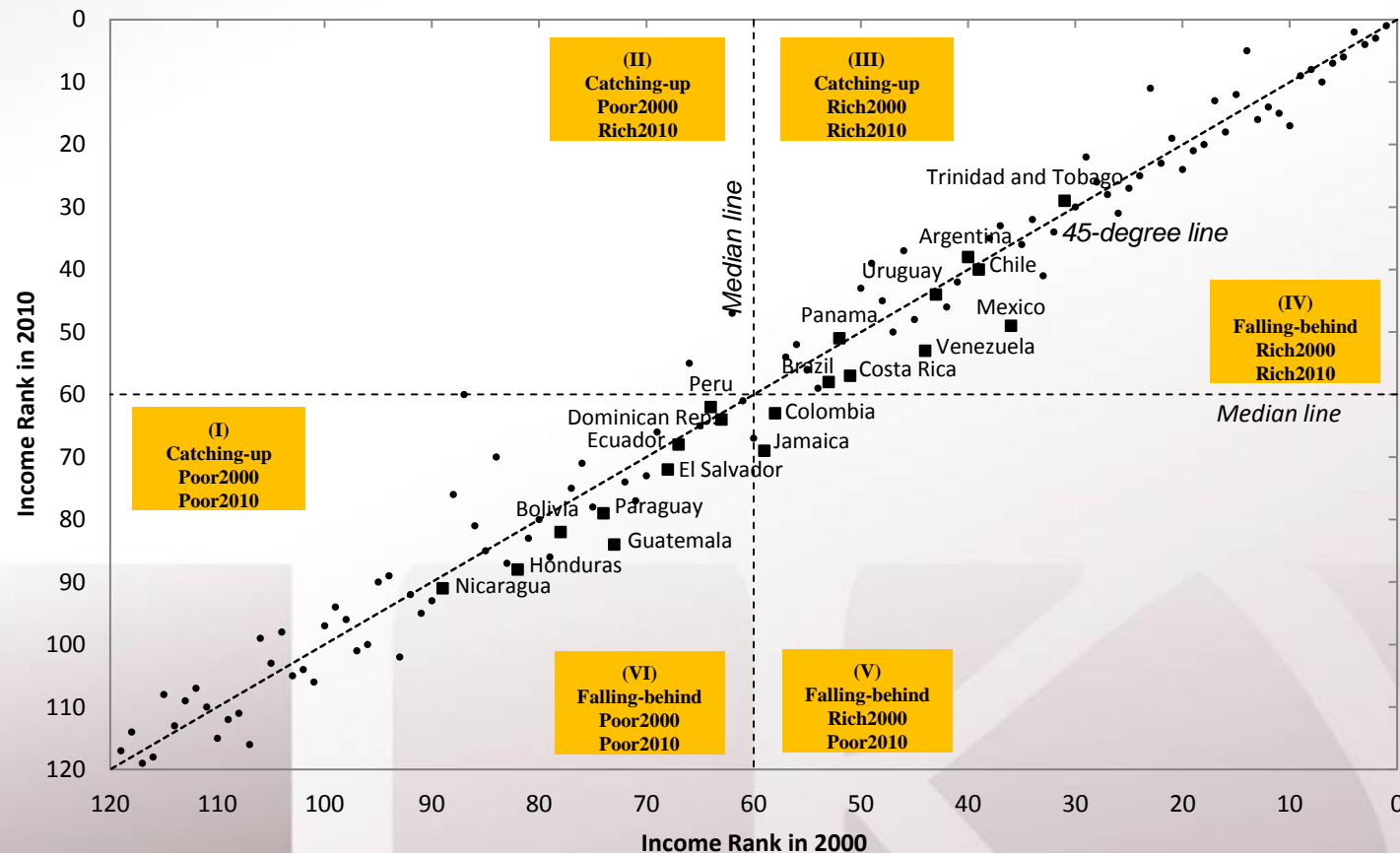
Global Dynamics of Catching-up & Falling-behind, 2000-2010: Developing Asia



Source: Vu (2013)

For comparison, Latin American economies were on a falling-behind trend during 2000-2010.

Global Dynamics of Catching-up & Falling-behind, 2000-2010: Latin America



Source: Vu (2013)

Why ASEAN-10 Competitiveness Ranking?

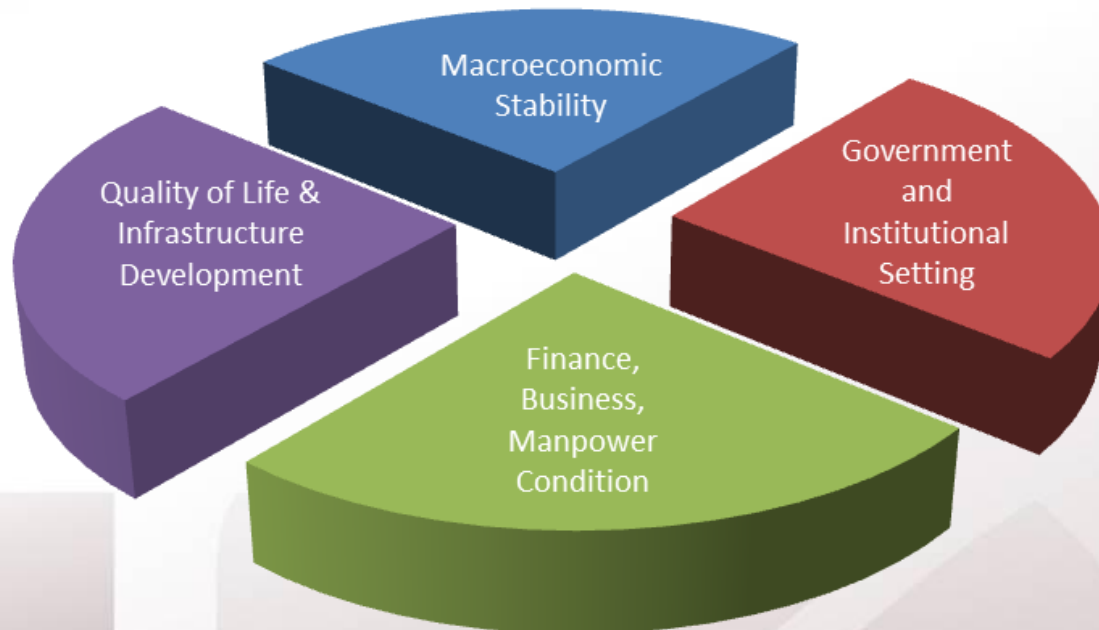
- The ASEAN-10 economies can seize the unprecedented opportunities associated with the rise of Asia especially with emerging China and India and revitalization of Japanese economy to foster their economic development, growth catching-up and greater regional economic integration.
- The ASEAN-10 economies are facing structural problems and production bottlenecks in boosting/sustaining high economic performance, with economies such as Malaysian, Thailand and Philippines which are in danger of being caught in the middle income trap.
- The ASEAN-10 competitiveness ranking provides policy makers in the ASEAN-10 economies with policy insights and suggestions for enhancing national competitiveness and economic growth. It also help policy makers monitor the progress of country performance over time in comparison to peer countries.
- Non-performance in the economy by any other member economy is bad for ASEAN as there will be a tendency to divert to external conflict or issues from domestic economic problems.

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METHODOLOGY

ACI Competitiveness Framework



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METHODOLOGY

ACI Competitiveness Framework

Environment/Sub-environment	Number of Indicators
I-Macroeconomic Stability	24
1) Economic Vibrancy	12
2) Openness to Trade and Services	5
3) Attractiveness To Foreign Investors	7
II-Government and Institutional Setting	45
4) Government Policies and Fiscal Sustainability	15
5) Institutions, Governance and Leadership	15
6) Competition, Regulatory Standards and Rule of Law	15
III-Financial, Business and Manpower Conditions	22
7) Financial Deepening and Business Efficiency	9
8) Labour Market Flexibility	9
9) Productivity Performance	4
IV-Quality of Life and Infrastructure Development	37
10) Physical Infrastructure	8
11) Technological Infrastructure	21
12) Standard of Living, Education and Social Stability	8

METHODOLOGY

The Standardized Score

- To measure how well a country performs in comparison to the average-performing country
- A standardized score is calculated for each indicator
 - SS=0: the same as the group average
 - SS<0: below the group average
 - SS>0: above the group average
- The subindex on a given sub-environment is the average of the standard scores of its indicators.
- The index on a given environment is the average of the subindexes of its sub-environments.
- The overall competitiveness index is the average of the indexes of the four environments.

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Overall Competitiveness ranking of ASEAN-10, 2000-2010

TOTAL										
Rank	1		2		3		4		5	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Singapore	1.4672	Malaysia	0.5160	Thailand	0.2955	Brunei	0.2254	Philippines	-0.0811
2001	Singapore	1.4498	Malaysia	0.5316	Thailand	0.3002	Brunei	0.2651	Philippines	-0.1238
2002	Singapore	1.4135	Malaysia	0.6048	Thailand	0.3236	Brunei	0.2356	Philippines	-0.1733
2003	Singapore	1.3501	Malaysia	0.5889	Thailand	0.3299	Brunei	0.2620	Philippines	-0.1996
2004	Singapore	1.4022	Malaysia	0.6305	Thailand	0.3007	Brunei	0.2420	Indonesia	-0.1723
2005	Singapore	1.4242	Malaysia	0.6353	Thailand	0.3078	Brunei	0.2670	Philippines	-0.1917
2006	Singapore	1.3837	Malaysia	0.6625	Thailand	0.2756	Brunei	0.2567	Indonesia	-0.1647
2007	Singapore	1.3996	Malaysia	0.6450	Thailand	0.2423	Brunei	0.2074	Indonesia	-0.1082
2008	Singapore	1.3887	Malaysia	0.6174	Thailand	0.2330	Brunei	0.1933	Indonesia	-0.1068
2009	Singapore	1.4518	Malaysia	0.5322	Thailand	0.2247	Brunei	0.2077	Indonesia	-0.0857
2010	Singapore	1.4463	Malaysia	0.5766	Thailand	0.2210	Brunei	0.2039	Indonesia	-0.0657

TOTAL										
Rank	6		7		8		9		10	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Vietnam	-0.2847	Indonesia	-0.2945	Cambodia	-0.4205	Laos	-0.7111	Myanmar	-0.7121
2001	Vietnam	-0.2653	Indonesia	-0.2726	Cambodia	-0.4272	Laos	-0.6723	Myanmar	-0.7856
2002	Vietnam	-0.2155	Indonesia	-0.3018	Cambodia	-0.4363	Laos	-0.6590	Myanmar	-0.7918
2003	Vietnam	-0.2242	Indonesia	-0.2808	Cambodia	-0.4382	Laos	-0.6693	Myanmar	-0.7189
2004	Philippines	-0.2161	Vietnam	-0.2718	Cambodia	-0.4918	Laos	-0.6582	Myanmar	-0.7653
2005	Indonesia	-0.2167	Vietnam	-0.2762	Cambodia	-0.5098	Laos	-0.6682	Myanmar	-0.7716
2006	Philippines	-0.1822	Vietnam	-0.2739	Cambodia	-0.5331	Laos	-0.6436	Myanmar	-0.7810
2007	Philippines	-0.1811	Vietnam	-0.2548	Cambodia	-0.5243	Laos	-0.6387	Myanmar	-0.7873
2008	Philippines	-0.1900	Vietnam	-0.2074	Cambodia	-0.5387	Laos	-0.6314	Myanmar	-0.7581
2009	Vietnam	-0.1866	Philippines	-0.2432	Cambodia	-0.5203	Laos	-0.6154	Myanmar	-0.7653
2010	Vietnam	-0.1878	Philippines	-0.2574	Cambodia	-0.5151	Laos	-0.6295	Myanmar	-0.7923

Macroeconomic Stability Ranking, 2000-2010

MACROECONOMIC STABILITY										
Rank	1		2		3		4		5	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Singapore	1.5599	Malaysia	0.5190	Thailand	0.3588	Indonesia	-0.1372	Brunei	-0.1811
2001	Singapore	1.4976	Malaysia	0.4891	Thailand	0.3885	Brunei	-0.0398	Indonesia	-0.1213
2002	Singapore	1.4192	Malaysia	0.5790	Thailand	0.4109	Brunei	-0.0551	Indonesia	-0.1220
2003	Singapore	1.4240	Malaysia	0.5244	Thailand	0.3939	Brunei	-0.0421	Indonesia	-0.1537
2004	Singapore	1.4970	Malaysia	0.6201	Thailand	0.3736	Indonesia	-0.0010	Brunei	-0.1019
2005	Singapore	1.5559	Malaysia	0.6221	Thailand	0.3836	Brunei	0.0131	Indonesia	-0.0881
2006	Singapore	1.4779	Malaysia	0.5924	Thailand	0.3824	Brunei	0.0590	Indonesia	-0.0451
2007	Singapore	1.4575	Malaysia	0.5919	Thailand	0.3549	Indonesia	0.0773	Brunei	-0.0510
2008	Singapore	1.3234	Malaysia	0.5446	Thailand	0.3809	Indonesia	0.1279	Brunei	-0.0581
2009	Singapore	1.5067	Malaysia	0.4129	Thailand	0.3658	Indonesia	0.0893	Brunei	-0.0852
2010	Singapore	1.5447	Malaysia	0.4814	Thailand	0.3429	Indonesia	0.0668	Brunei	0.0243

MACROECONOMIC STABILITY										
Rank	6		7		8		9		10	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Cambodia	-0.2359	Philippines	-0.2464	Vietnam	-0.2482	Myanmar	-0.6496	Laos	-0.7394
2001	Vietnam	-0.2041	Cambodia	-0.2461	Philippines	-0.2838	Laos	-0.6428	Myanmar	-0.8373
2002	Vietnam	-0.1656	Philippines	-0.2900	Cambodia	-0.2979	Laos	-0.6437	Myanmar	-0.8347
2003	Vietnam	-0.2281	Cambodia	-0.2697	Philippines	-0.3311	Myanmar	-0.6508	Laos	-0.6667
2004	Vietnam	-0.3173	Philippines	-0.3303	Cambodia	-0.3364	Laos	-0.6700	Myanmar	-0.7339
2005	Cambodia	-0.3175	Vietnam	-0.3677	Philippines	-0.4122	Laos	-0.6669	Myanmar	-0.7223
2006	Vietnam	-0.3300	Philippines	-0.3570	Cambodia	-0.3705	Laos	-0.6391	Myanmar	-0.7699
2007	Philippines	-0.3073	Vietnam	-0.3098	Cambodia	-0.4248	Laos	-0.6203	Myanmar	-0.7685
2008	Vietnam	-0.2032	Cambodia	-0.3793	Philippines	-0.3821	Laos	-0.6322	Myanmar	-0.7218
2009	Vietnam	-0.1723	Cambodia	-0.4504	Philippines	-0.4598	Laos	-0.5605	Myanmar	-0.6465
2010	Vietnam	-0.2077	Philippines	-0.4283	Cambodia	-0.4709	Laos	-0.6677	Myanmar	-0.6855

Government and Institutional Setting Ranking, 2000-2010

GOVERNMENT AND INSTITUTIONAL SETTING										
Rank	1		2		3		4		5	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Singapore	1.6287	Malaysia	0.5221	Thailand	0.4551	Brunei	0.3959	Philippines	-0.0204
2001	Singapore	1.6542	Malaysia	0.5543	Thailand	0.4524	Brunei	0.3819	Philippines	-0.0718
2002	Singapore	1.5226	Malaysia	0.6612	Thailand	0.5045	Brunei	0.3627	Philippines	-0.1303
2003	Singapore	1.5044	Malaysia	0.6646	Thailand	0.5390	Brunei	0.3896	Vietnam	-0.1716
2004	Singapore	1.4614	Malaysia	0.7101	Brunei	0.4588	Thailand	0.4587	Philippines	-0.2289
2005	Singapore	1.4468	Malaysia	0.7533	Brunei	0.4814	Thailand	0.4808	Philippines	-0.1731
2006	Singapore	1.4556	Malaysia	0.7257	Brunei	0.4680	Thailand	0.3344	Philippines	-0.1660
2007	Singapore	1.5036	Malaysia	0.6925	Brunei	0.4282	Thailand	0.2409	Indonesia	-0.1853
2008	Singapore	1.6060	Malaysia	0.6040	Brunei	0.3924	Thailand	0.1975	Philippines	-0.2009
2009	Singapore	1.6057	Malaysia	0.4761	Brunei	0.4725	Thailand	0.1701	Indonesia	-0.1222
2010	Singapore	1.6183	Malaysia	0.5324	Brunei	0.3965	Thailand	0.1635	Indonesia	-0.0784

GOVERNMENT AND INSTITUTIONAL SETTING										
Rank	6		7		8		9		10	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Vietnam	-0.2637	Cambodia	-0.4327	Indonesia	-0.6183	Laos	-0.8141	Myanmar	-0.8526
2001	Vietnam	-0.2610	Cambodia	-0.4687	Indonesia	-0.6085	Laos	-0.7743	Myanmar	-0.8584
2002	Vietnam	-0.2106	Cambodia	-0.4137	Indonesia	-0.6225	Laos	-0.7942	Myanmar	-0.8798
2003	Philippines	-0.2108	Cambodia	-0.3983	Indonesia	-0.5271	Laos	-0.8666	Myanmar	-0.9233
2004	Vietnam	-0.2799	Indonesia	-0.3500	Cambodia	-0.4730	Laos	-0.8152	Myanmar	-0.9421
2005	Vietnam	-0.2918	Indonesia	-0.3671	Cambodia	-0.5673	Laos	-0.8258	Myanmar	-0.9372
2006	Indonesia	-0.2432	Vietnam	-0.3241	Cambodia	-0.5246	Laos	-0.7946	Myanmar	-0.9313
2007	Philippines	-0.1893	Vietnam	-0.3192	Cambodia	-0.4620	Laos	-0.7743	Myanmar	-0.9350
2008	Indonesia	-0.2119	Vietnam	-0.3214	Cambodia	-0.4681	Laos	-0.7090	Myanmar	-0.8887
2009	Philippines	-0.2831	Vietnam	-0.2960	Cambodia	-0.4453	Laos	-0.6952	Myanmar	-0.8826
2010	Philippines	-0.2924	Vietnam	-0.3205	Cambodia	-0.4254	Laos	-0.6712	Myanmar	-0.9227

Financial, Businesses and Manpower Conditions Ranking, 2000-2010

FINANCIAL, BUSINESSES AND MANPOWER CONDITIONS										
Rank	1		2		3		4		5	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Singapore	1.2168	Malaysia	0.4277	Brunei	0.3154	Thailand	0.1618	Philippines	-0.0093
2001	Singapore	1.2317	Malaysia	0.4858	Brunei	0.3209	Thailand	0.1487	Philippines	-0.0782
2002	Singapore	1.3047	Malaysia	0.5372	Brunei	0.2830	Thailand	0.1082	Philippines	-0.0998
2003	Singapore	1.1351	Malaysia	0.5111	Brunei	0.3303	Thailand	0.1939	Philippines	-0.1180
2004	Singapore	1.3215	Malaysia	0.5326	Brunei	0.2733	Thailand	0.1886	Indonesia	-0.1432
2005	Singapore	1.3431	Malaysia	0.4744	Brunei	0.2337	Thailand	0.1809	Philippines	-0.0650
2006	Singapore	1.2774	Malaysia	0.6156	Brunei	0.1971	Thailand	0.1829	Indonesia	-0.1277
2007	Singapore	1.2633	Malaysia	0.6595	Thailand	0.1853	Brunei	0.1351	Indonesia	-0.0939
2008	Singapore	1.2631	Malaysia	0.6948	Thailand	0.2030	Brunei	0.0851	Indonesia	-0.1231
2009	Singapore	1.3299	Malaysia	0.6298	Thailand	0.2164	Brunei	0.1070	Indonesia	-0.0913
2010	Singapore	1.2535	Malaysia	0.7064	Thailand	0.2365	Brunei	0.0932	Indonesia	-0.0913

FINANCIAL, BUSINESSES AND MANPOWER CONDITIONS										
Rank	6		7		8		9		10	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Indonesia	-0.0915	Vietnam	-0.3454	Myanmar	-0.5001	Laos	-0.5840	Cambodia	-0.5913
2001	Indonesia	-0.1019	Vietnam	-0.3067	Myanmar	-0.5426	Cambodia	-0.5744	Laos	-0.5832
2002	Indonesia	-0.1189	Vietnam	-0.2776	Myanmar	-0.5435	Laos	-0.5528	Cambodia	-0.6405
2003	Indonesia	-0.1621	Vietnam	-0.2759	Myanmar	-0.3983	Laos	-0.5512	Cambodia	-0.6651
2004	Philippines	-0.2097	Vietnam	-0.2793	Myanmar	-0.4562	Laos	-0.5461	Cambodia	-0.6814
2005	Indonesia	-0.1990	Vietnam	-0.2399	Myanmar	-0.4866	Laos	-0.5869	Cambodia	-0.6546
2006	Philippines	-0.1324	Vietnam	-0.2489	Myanmar	-0.4697	Laos	-0.5568	Cambodia	-0.7375
2007	Philippines	-0.1445	Vietnam	-0.2553	Myanmar	-0.4539	Laos	-0.5761	Cambodia	-0.7196
2008	Philippines	-0.1306	Vietnam	-0.1828	Myanmar	-0.4530	Laos	-0.6081	Cambodia	-0.7482
2009	Philippines	-0.1826	Vietnam	-0.2320	Myanmar	-0.5008	Laos	-0.6197	Cambodia	-0.6566
2010	Philippines	-0.1992	Vietnam	-0.2276	Myanmar	-0.5204	Laos	-0.5903	Cambodia	-0.6607

Quality Of Life and Infrastructure Development Ranking, 2000-2010

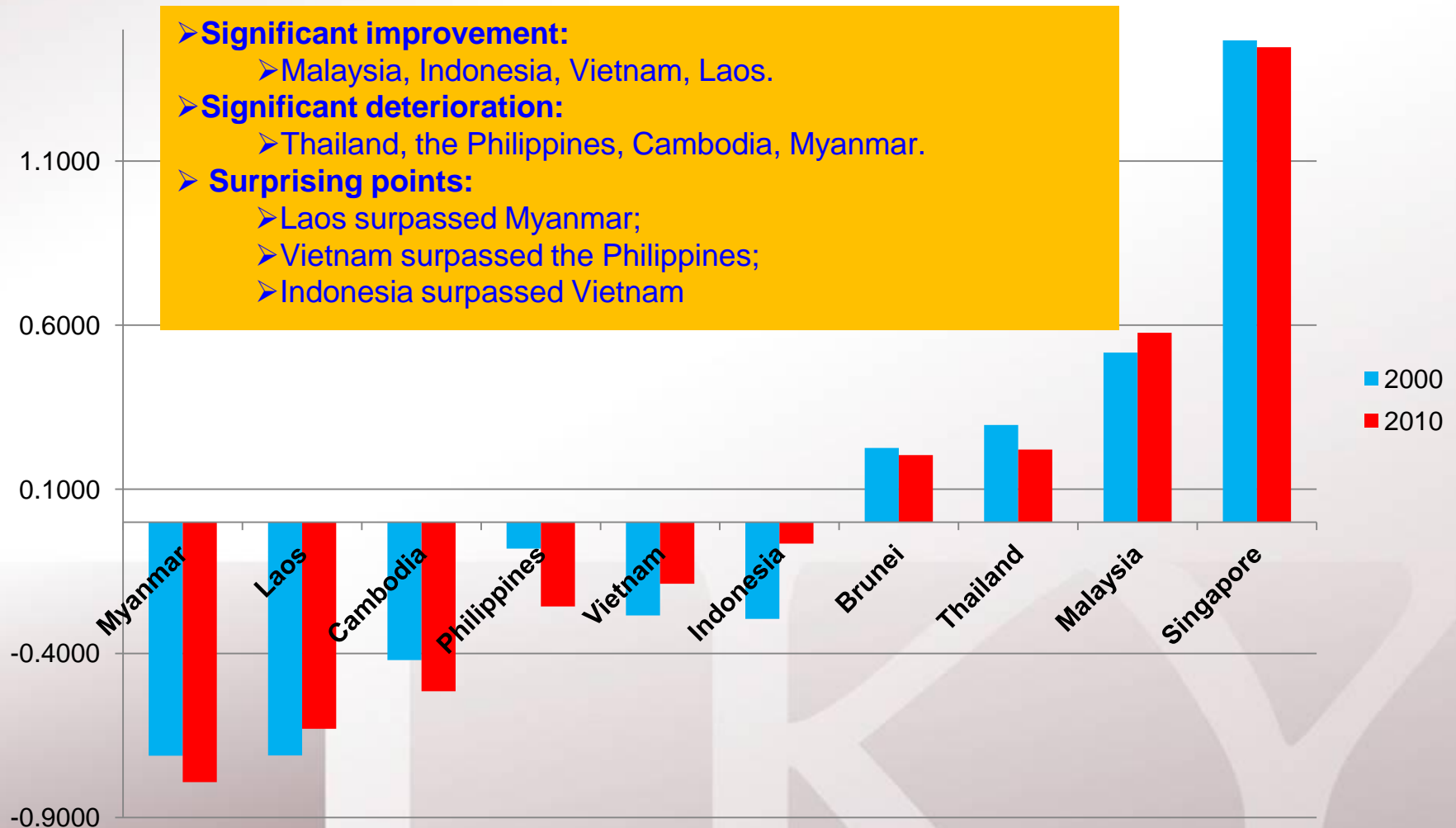
QUALITY OF LIFE AND INFRASTRUCTURE DEVELOPMENT

Rank	1		2		3		4		5	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Singapore	1.4633	Malaysia	0.5952	Brunei	0.3714	Thailand	0.2063	Philippines	-0.0484
2001	Singapore	1.4156	Malaysia	0.5974	Brunei	0.3973	Thailand	0.2113	Philippines	-0.0613
2002	Singapore	1.4076	Malaysia	0.6419	Brunei	0.3520	Thailand	0.2708	Philippines	-0.1730
2003	Singapore	1.3370	Malaysia	0.6556	Brunei	0.3702	Thailand	0.1928	Philippines	-0.1384
2004	Singapore	1.3291	Malaysia	0.6593	Brunei	0.3379	Thailand	0.1821	Philippines	-0.0954
2005	Singapore	1.3511	Malaysia	0.6912	Brunei	0.3398	Thailand	0.1859	Philippines	-0.1165
2006	Singapore	1.3240	Malaysia	0.7164	Brunei	0.3027	Thailand	0.2025	Philippines	-0.0734
2007	Singapore	1.3740	Malaysia	0.6362	Brunei	0.3172	Thailand	0.1884	Philippines	-0.0836
2008	Singapore	1.3624	Malaysia	0.6260	Brunei	0.3538	Thailand	0.1506	Philippines	-0.0462
2009	Singapore	1.3650	Malaysia	0.6100	Brunei	0.3367	Thailand	0.1467	Vietnam	-0.0460
2010	Singapore	1.3686	Malaysia	0.5865	Brunei	0.3015	Thailand	0.1413	Vietnam	0.0047

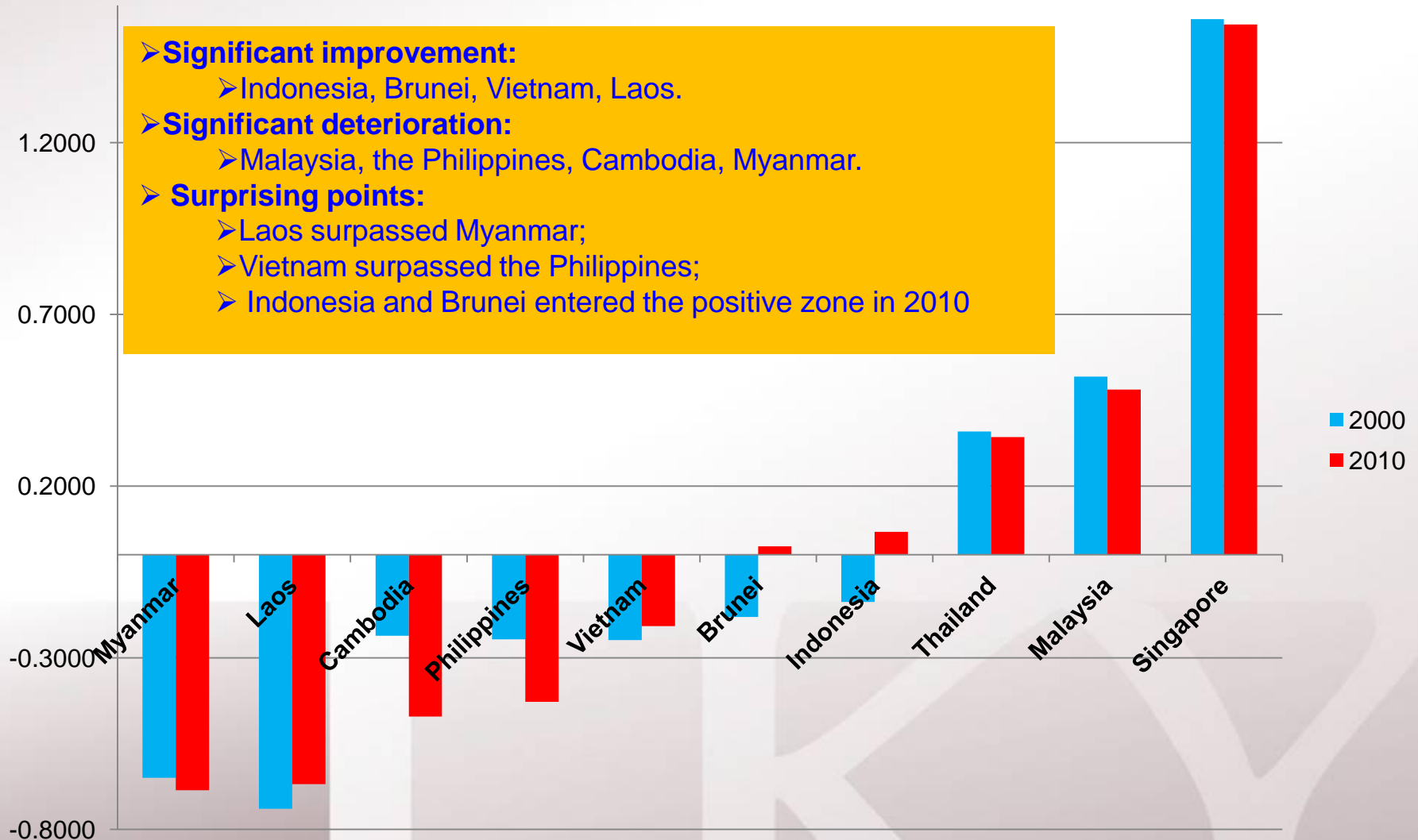
QUALITY OF LIFE AND INFRASTRUCTURE DEVELOPMENT

Rank	6		7		8		9		10	
	Economy	Score	Economy	Score	Economy	Score	Economy	Score	Economy	Score
2000	Vietnam	-0.2817	Indonesia	-0.3311	Cambodia	-0.4222	Laos	-0.7068	Myanmar	-0.8459
2001	Indonesia	-0.2586	Vietnam	-0.2893	Cambodia	-0.4194	Laos	-0.6891	Myanmar	-0.9039
2002	Vietnam	-0.2082	Indonesia	-0.3436	Cambodia	-0.3932	Laos	-0.6451	Myanmar	-0.9090
2003	Vietnam	-0.2211	Indonesia	-0.2805	Cambodia	-0.4196	Laos	-0.5927	Myanmar	-0.9034
2004	Indonesia	-0.1952	Vietnam	-0.2106	Cambodia	-0.4764	Laos	-0.6017	Myanmar	-0.9292
2005	Vietnam	-0.2056	Indonesia	-0.2126	Cambodia	-0.4998	Laos	-0.5932	Myanmar	-0.9403
2006	Vietnam	-0.1926	Indonesia	-0.2429	Cambodia	-0.4997	Laos	-0.5840	Myanmar	-0.9531
2007	Vietnam	-0.1348	Indonesia	-0.2308	Cambodia	-0.4907	Laos	-0.5840	Myanmar	-0.9917
2008	Vietnam	-0.1220	Indonesia	-0.2200	Cambodia	-0.5591	Laos	-0.5763	Myanmar	-0.9691
2009	Philippines	-0.0472	Indonesia	-0.2187	Cambodia	-0.5291	Laos	-0.5863	Myanmar	-1.0312
2010	Philippines	-0.1096	Indonesia	-0.1598	Cambodia	-0.5036	Laos	-0.5888	Myanmar	-1.0407

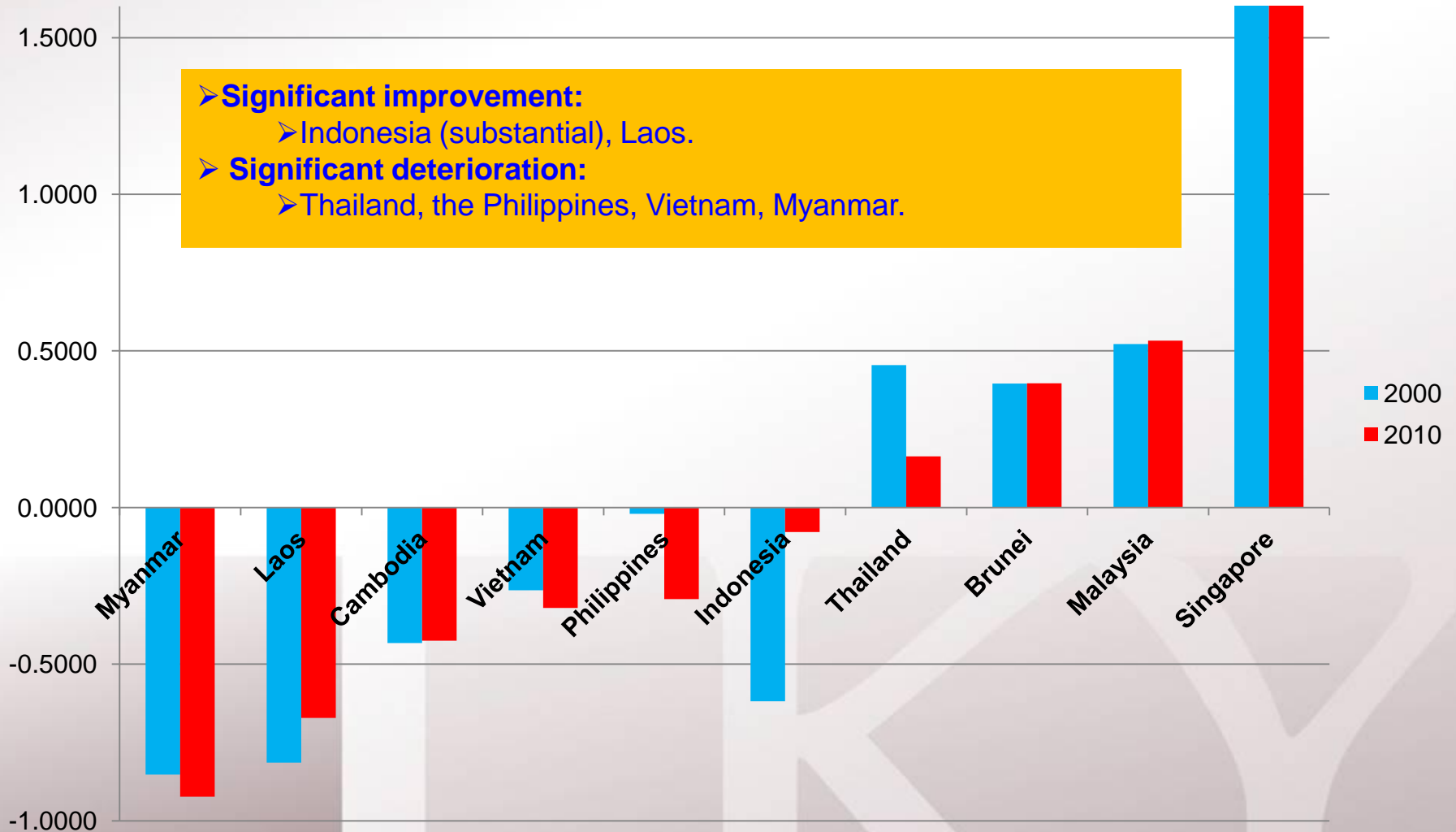
Overall Competitiveness: 2010 vs. 2000



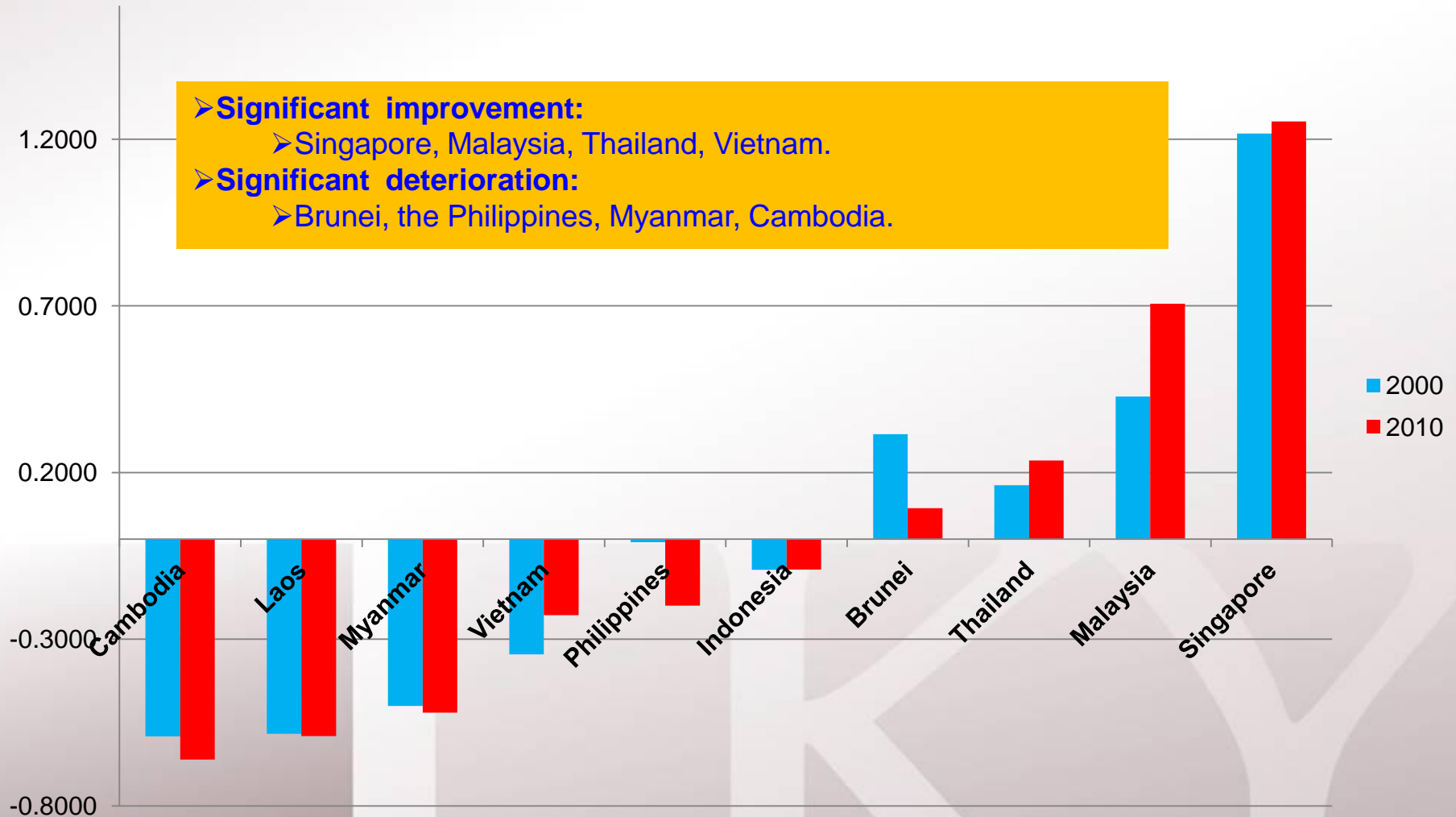
I-Macroeconomic Stability (MS)



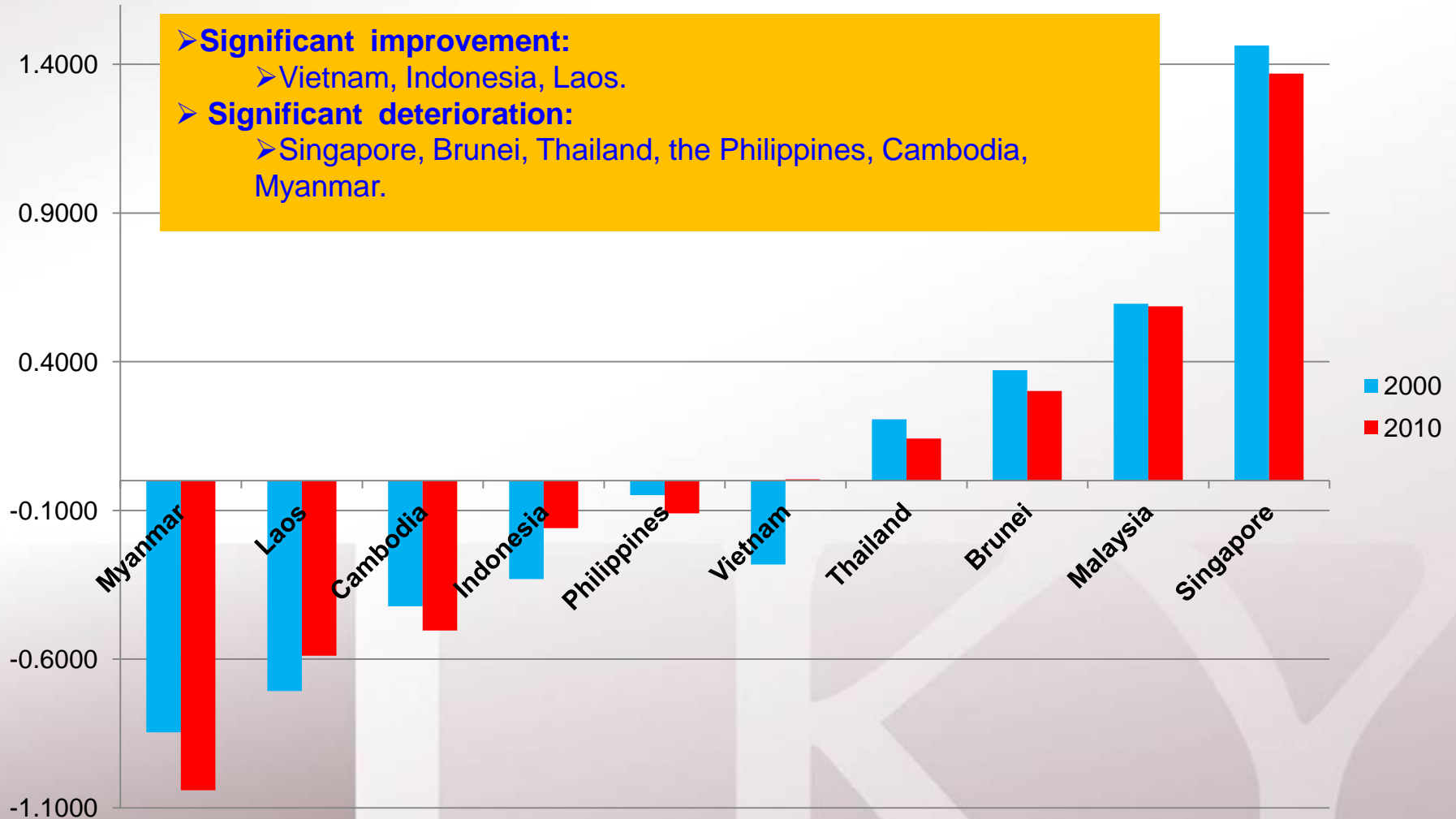
II-Government and Institutional Setting (GIS)



III-Financial, Business and Manpower Conditions (FBM)



IV-Quality of Life and Infrastructure (QLID) Development



I-Macroeconomic Stability -Economic Vibrancy (EV)-

➤ Significant improvement:

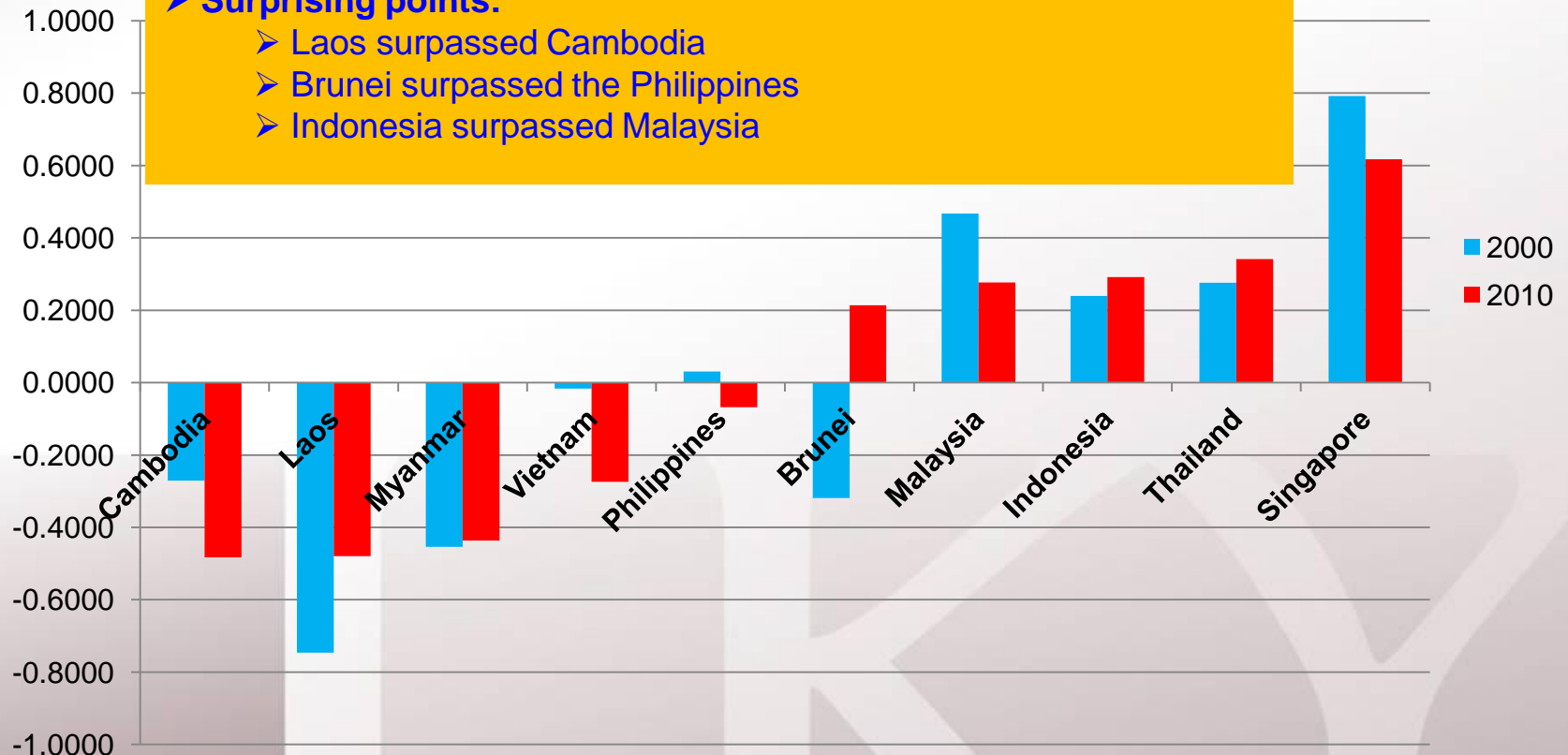
➤ Thailand, Indonesia, Brunei, Laos.

➤ Significant deterioration:

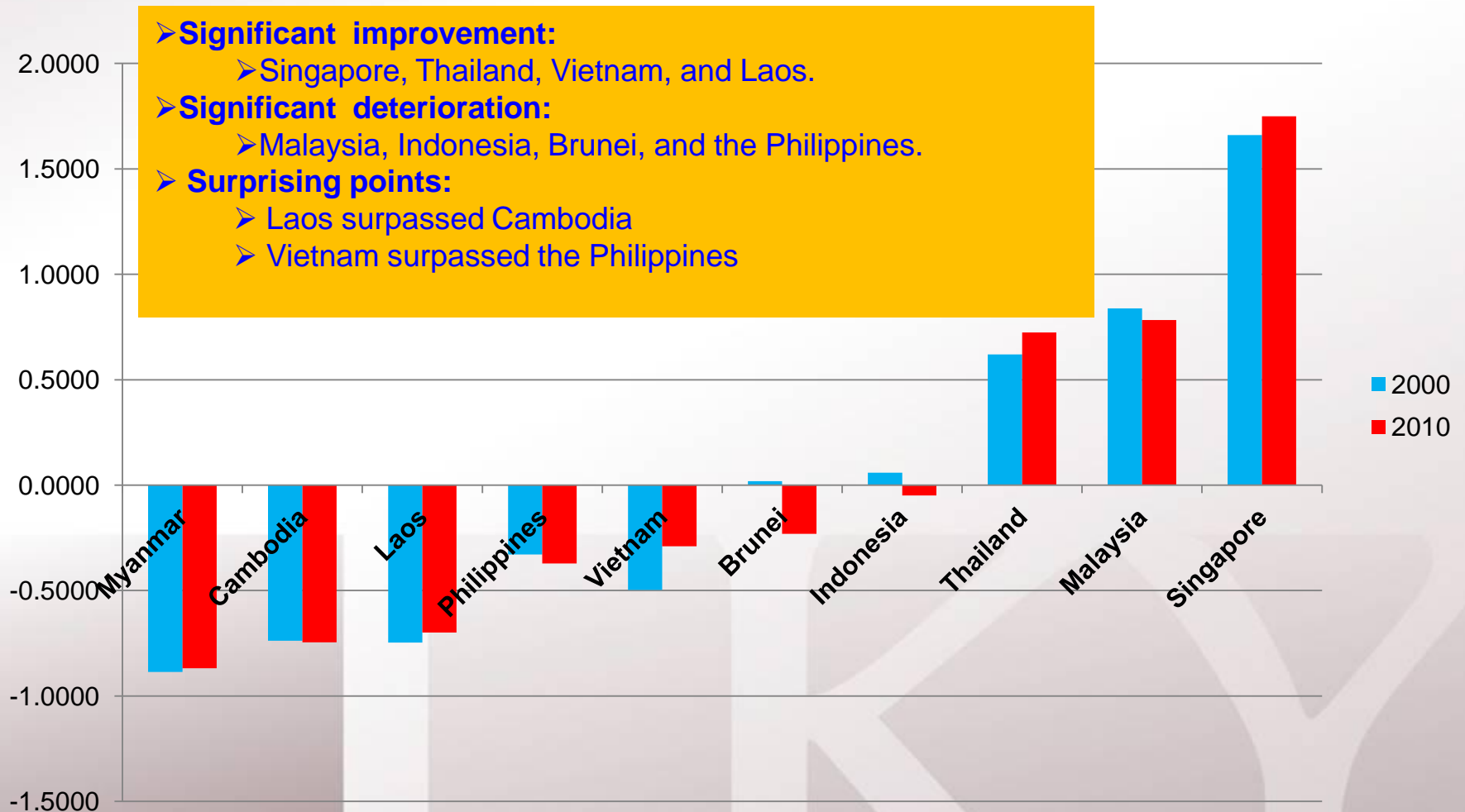
➤ Malaysia, the Philippines, Vietnam, Cambodia, Singapore.

➤ Surprising points:

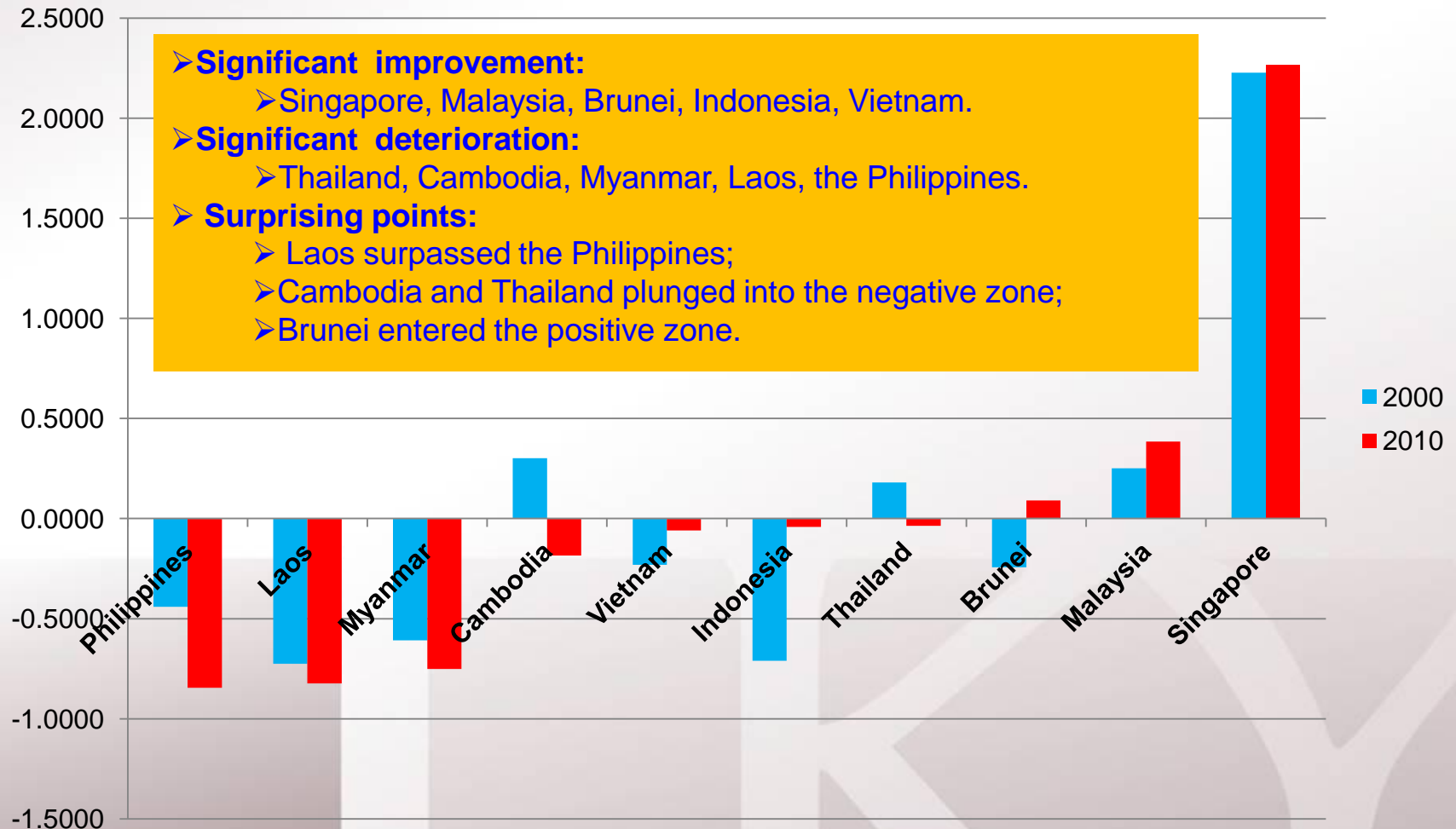
➤ Laos surpassed Cambodia
➤ Brunei surpassed the Philippines
➤ Indonesia surpassed Malaysia



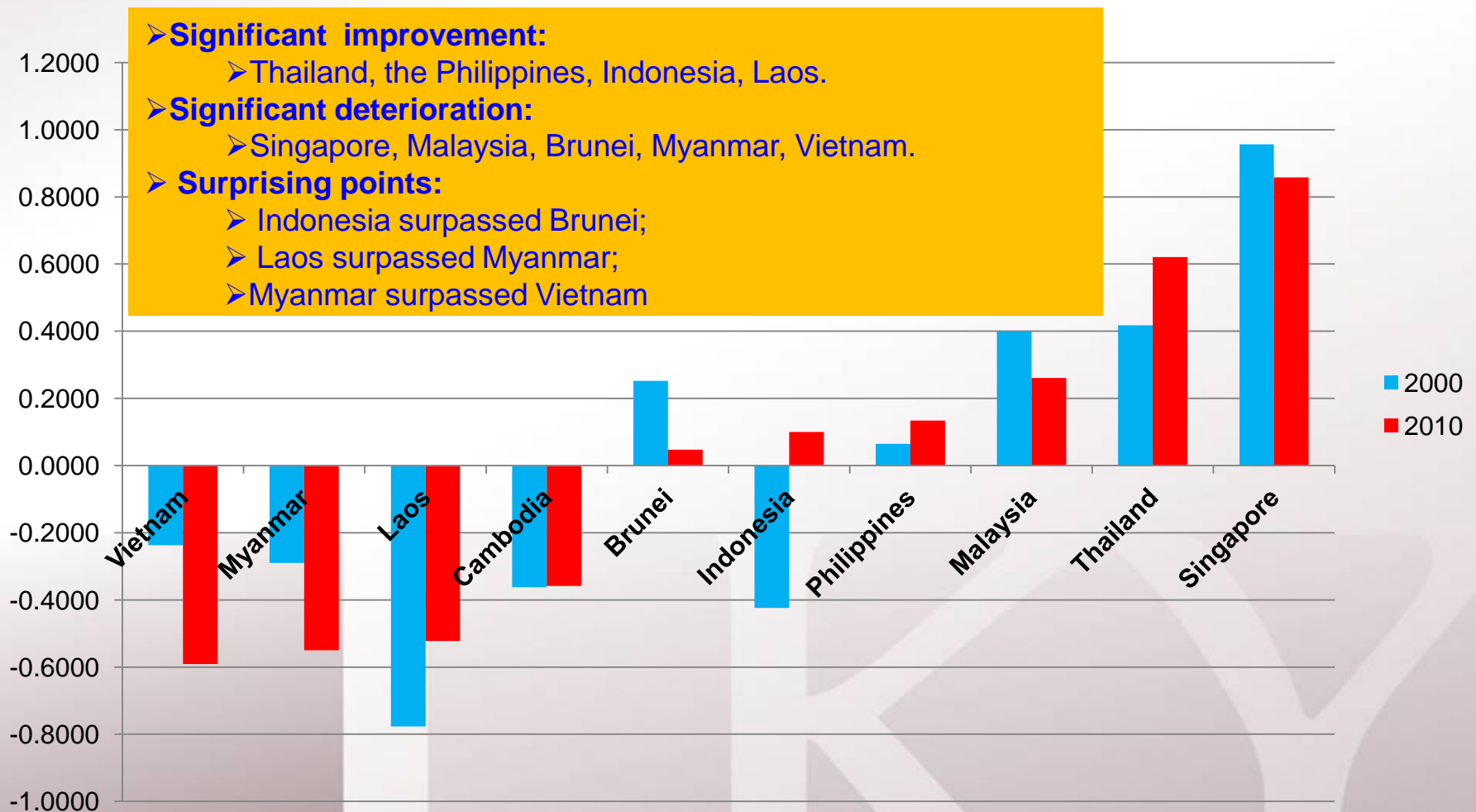
I-Macroeconomic Stability - Openness To Trade and Services (OTS)-



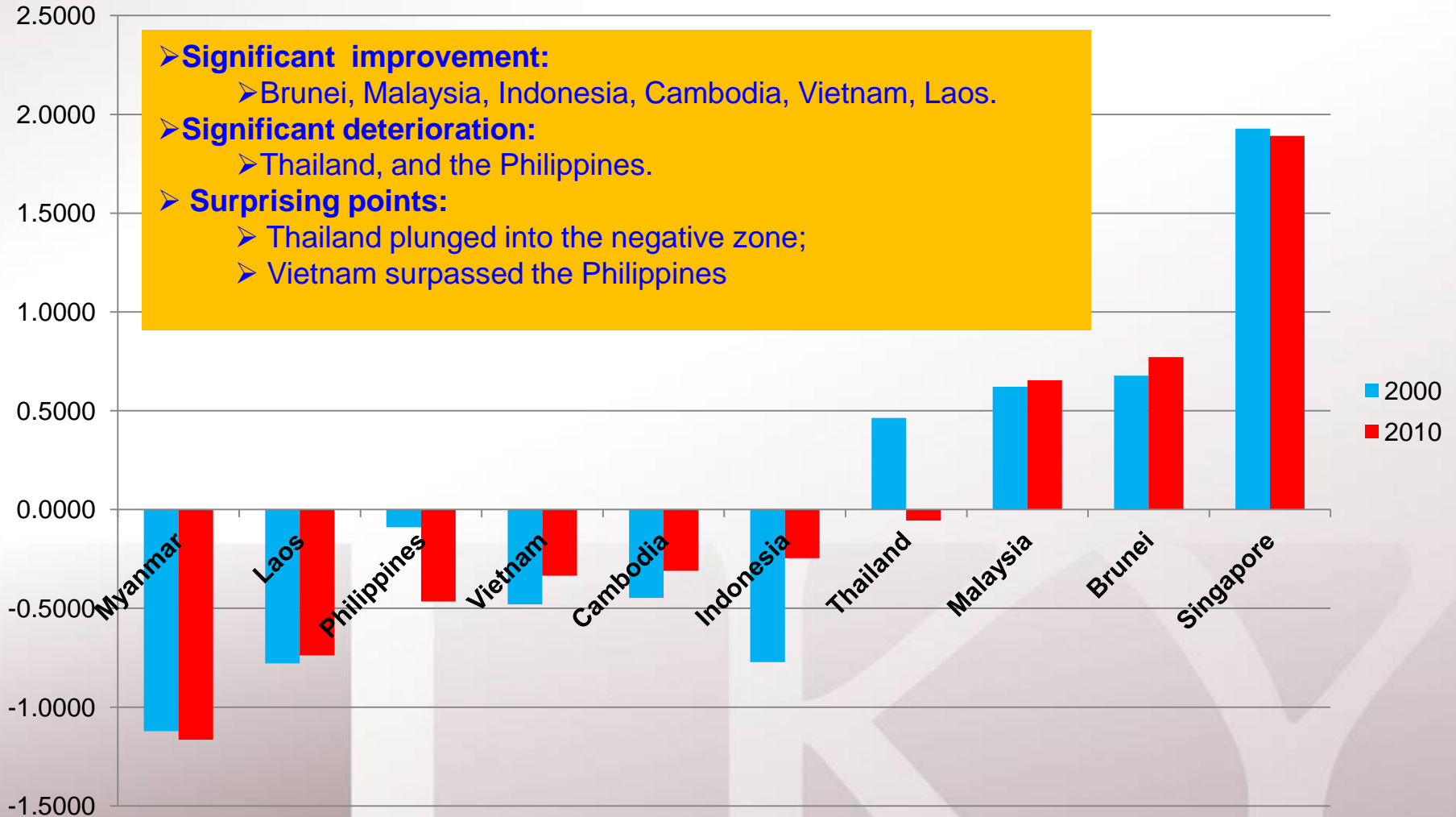
I- Macroeconomic Stability - Attractiveness To Foreign Investors (AFI)-



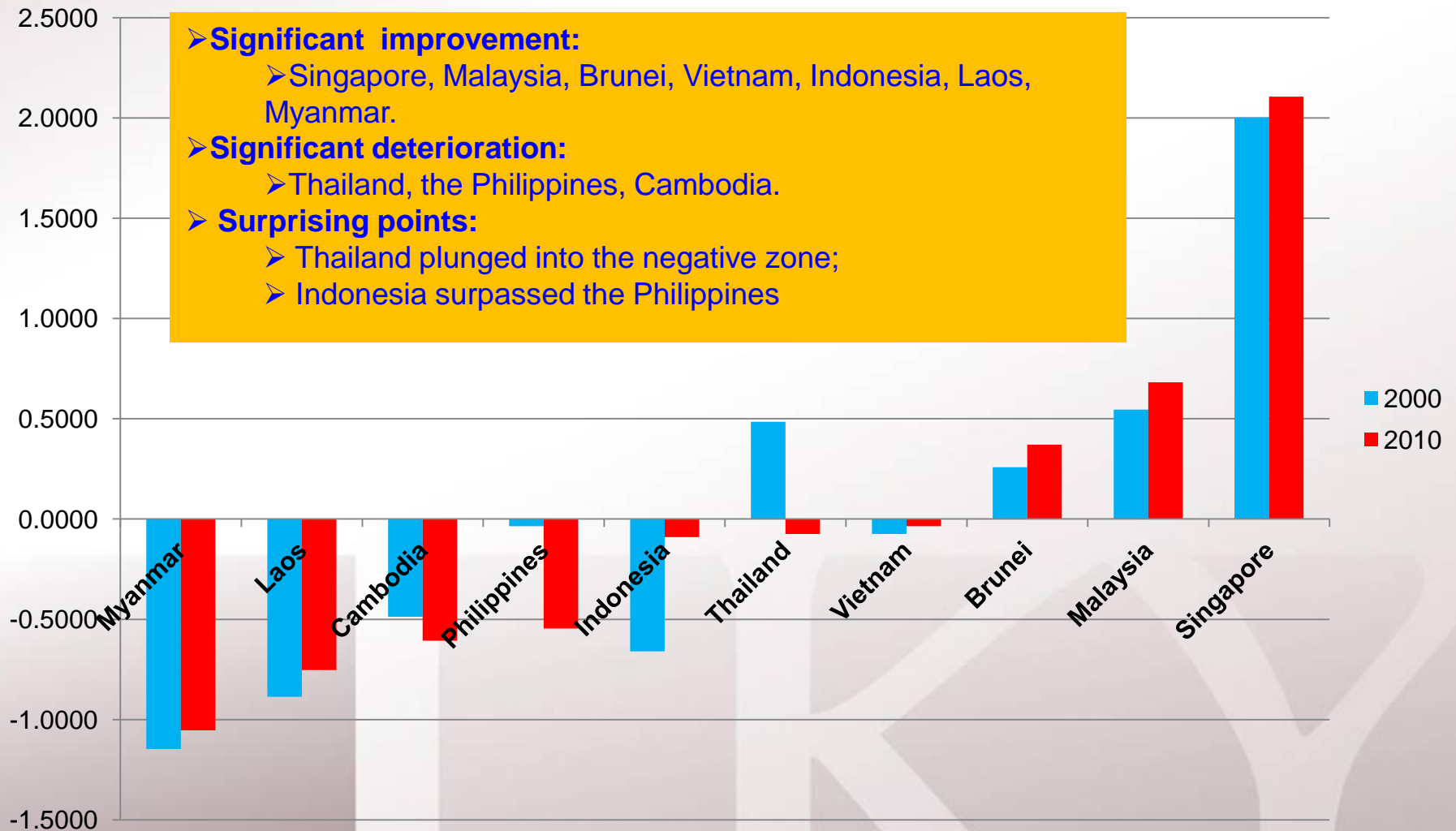
II-Government and Institutional Setting - Government Policies and Fiscal Sustainability (GPFS)-



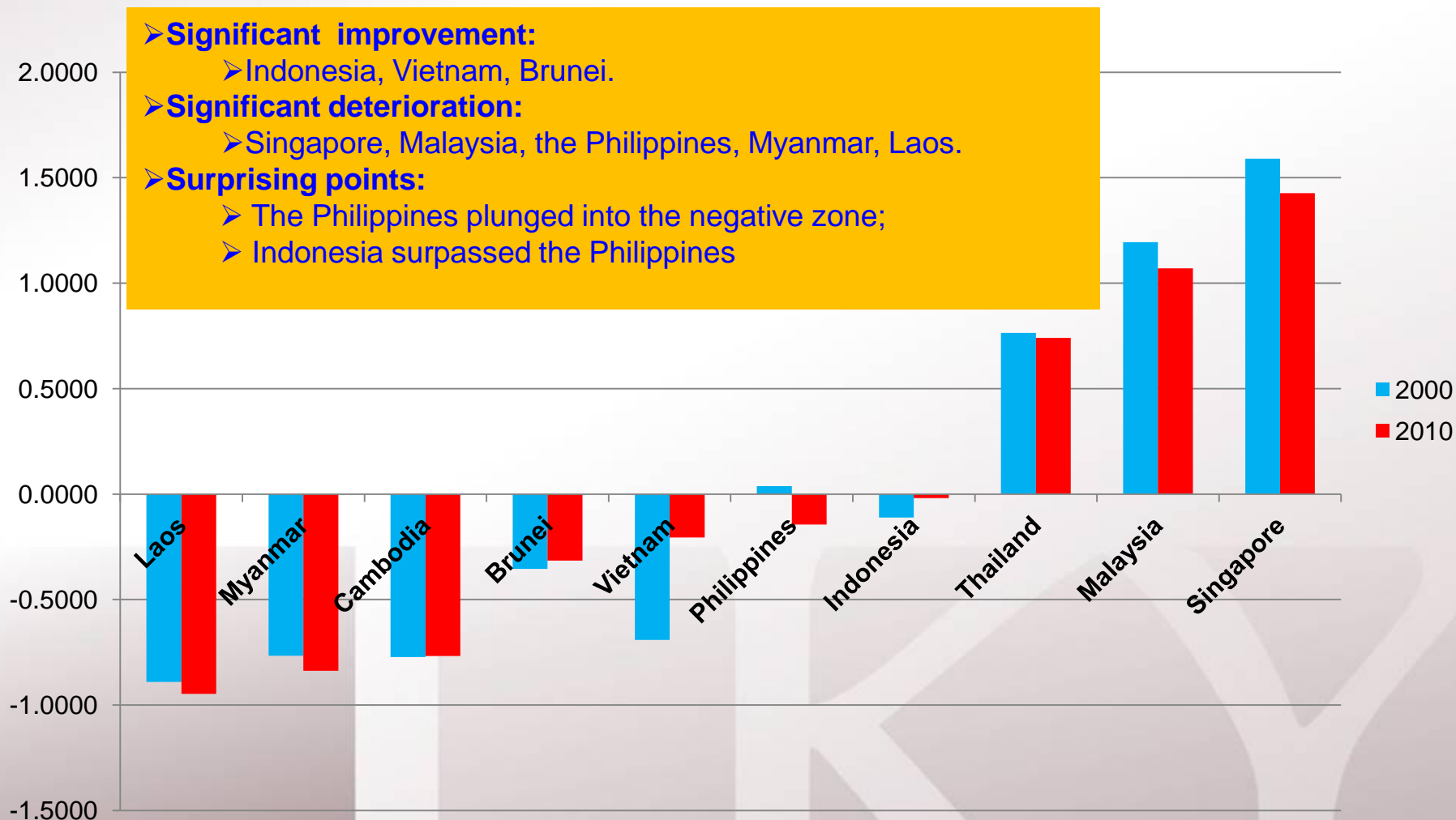
II-Government and Institutional Setting - Institutions, Governance and Leadership (IGL)-



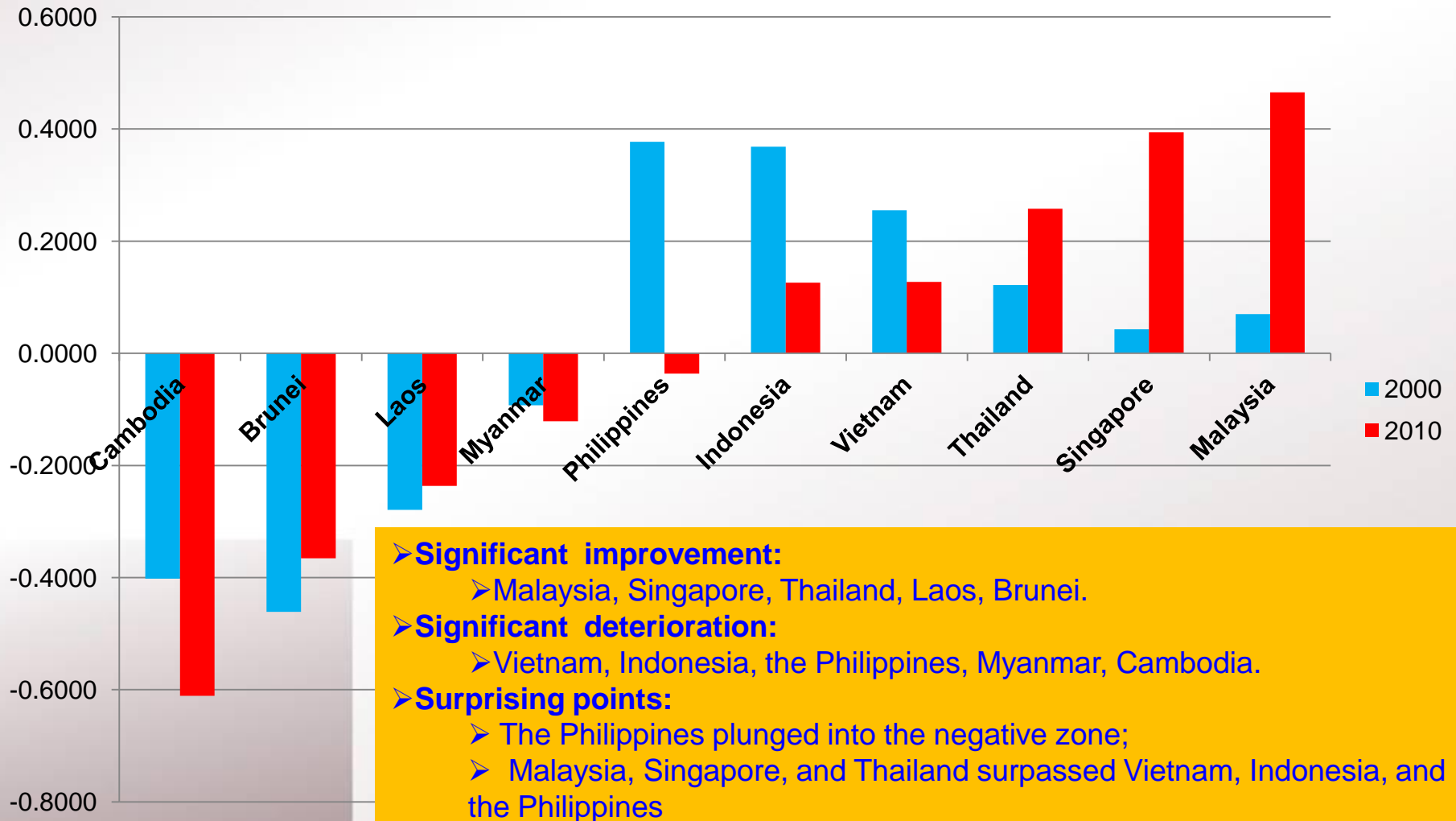
II-Government and Institutional Setting - Competition, Regulatory Standards and Rule of Law (CRSRL)-



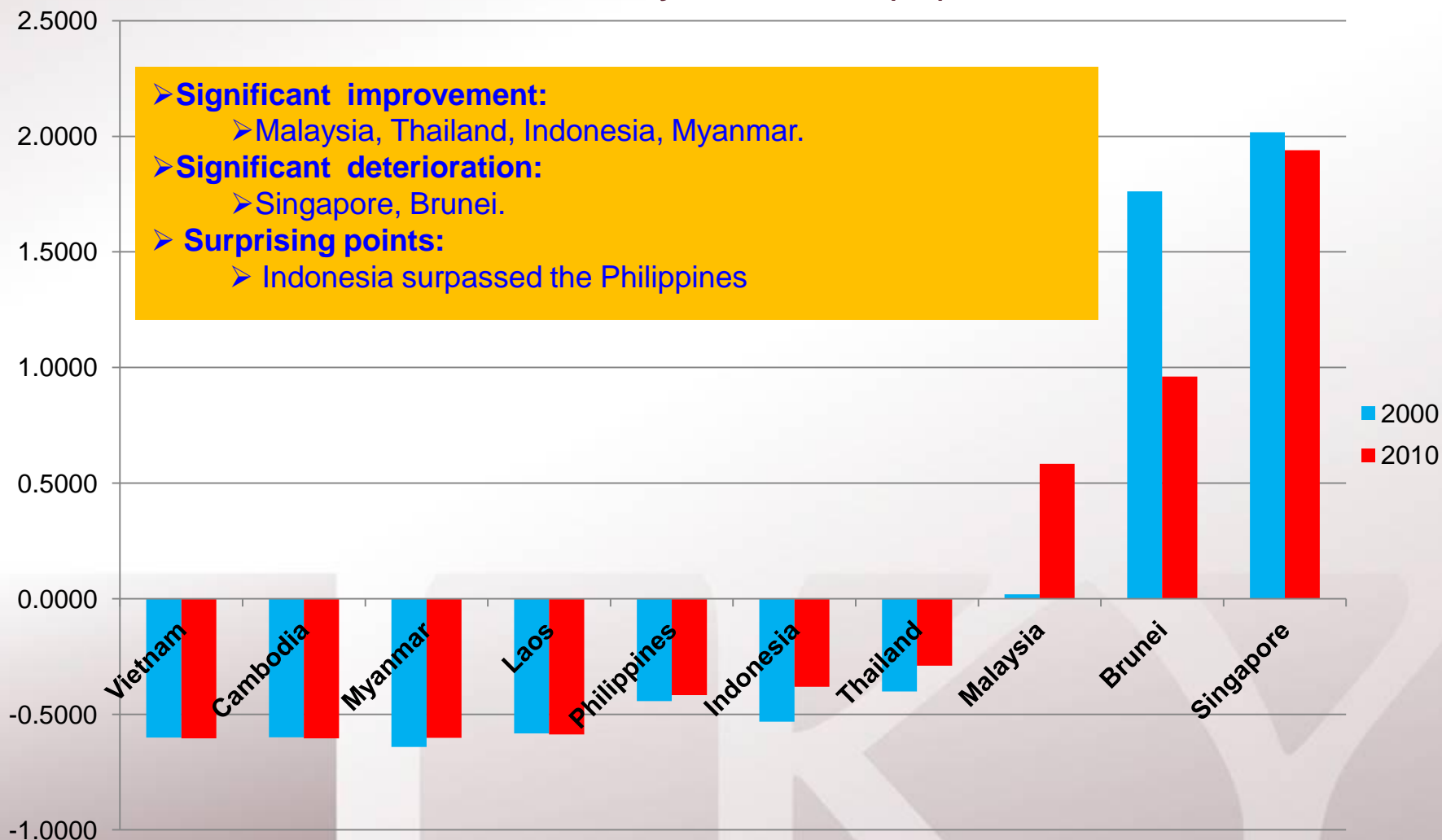
III-Financial, Business and Manpower Conditions - Financial Deepening and Business Efficiency (FDBE)-



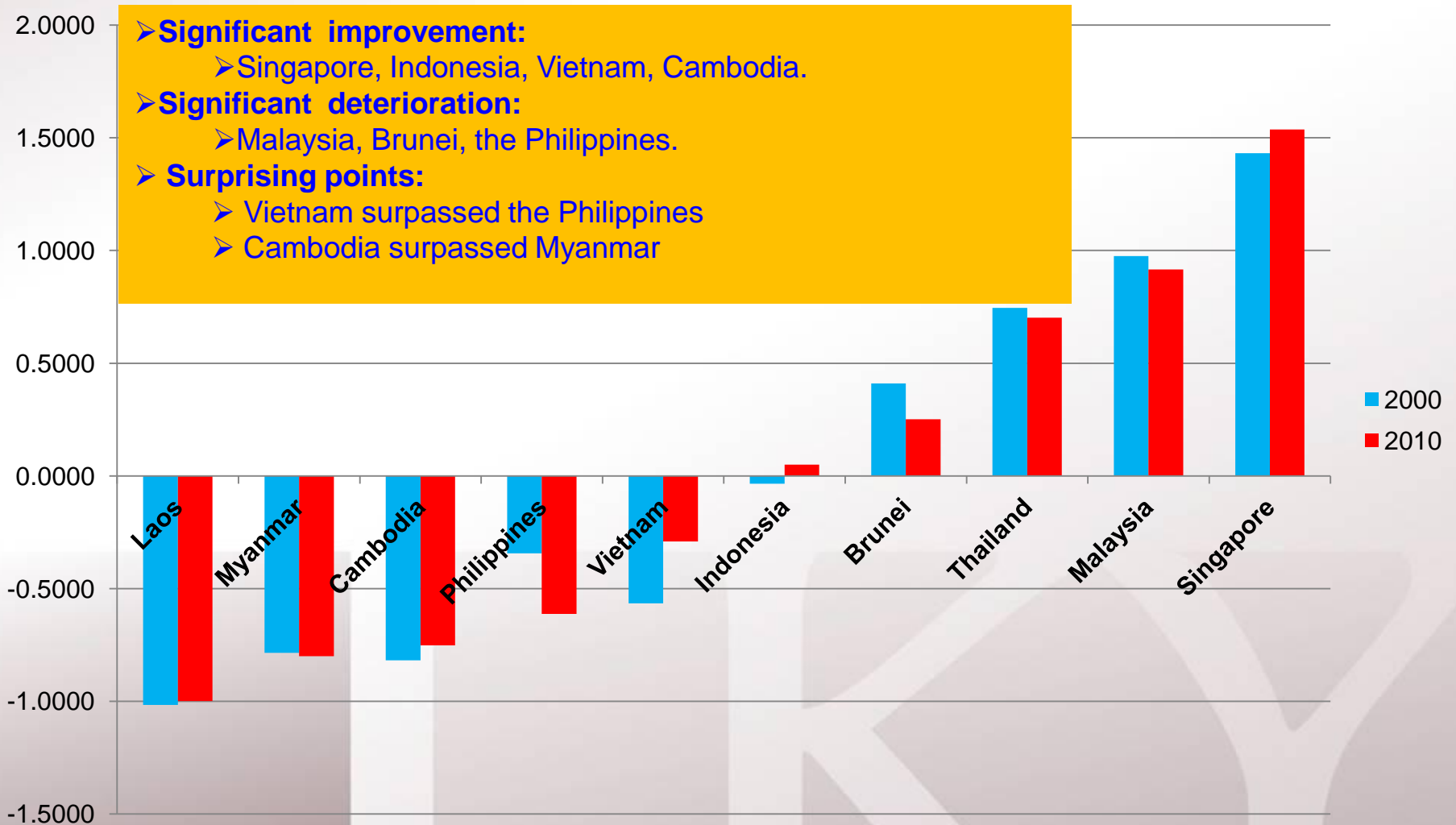
III-Financial, Business and Manpower Conditions - Labour Market Flexibility (LMF)-



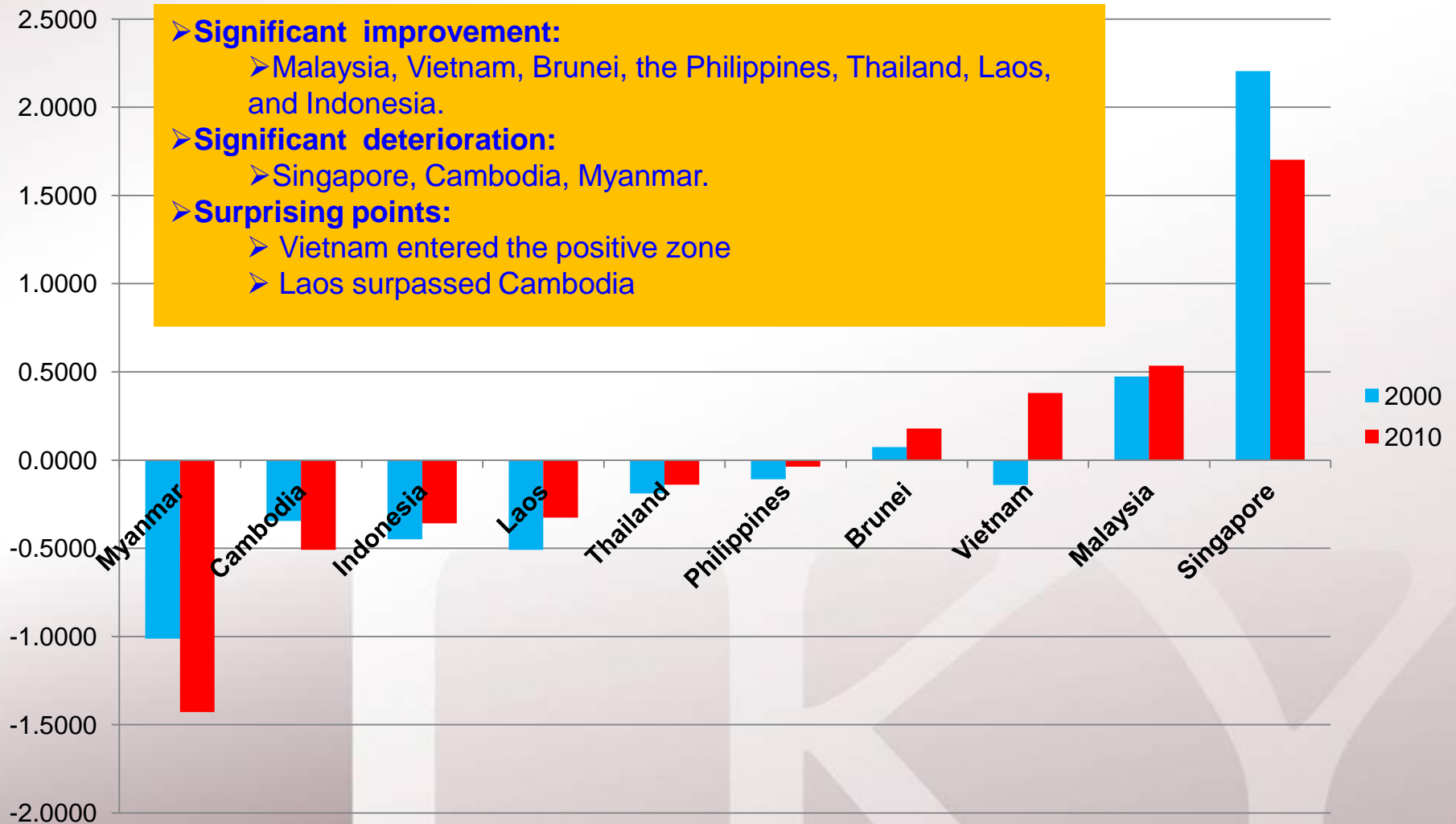
III-Financial, Business and Manpower Conditions - Productivity Performance (PP)-



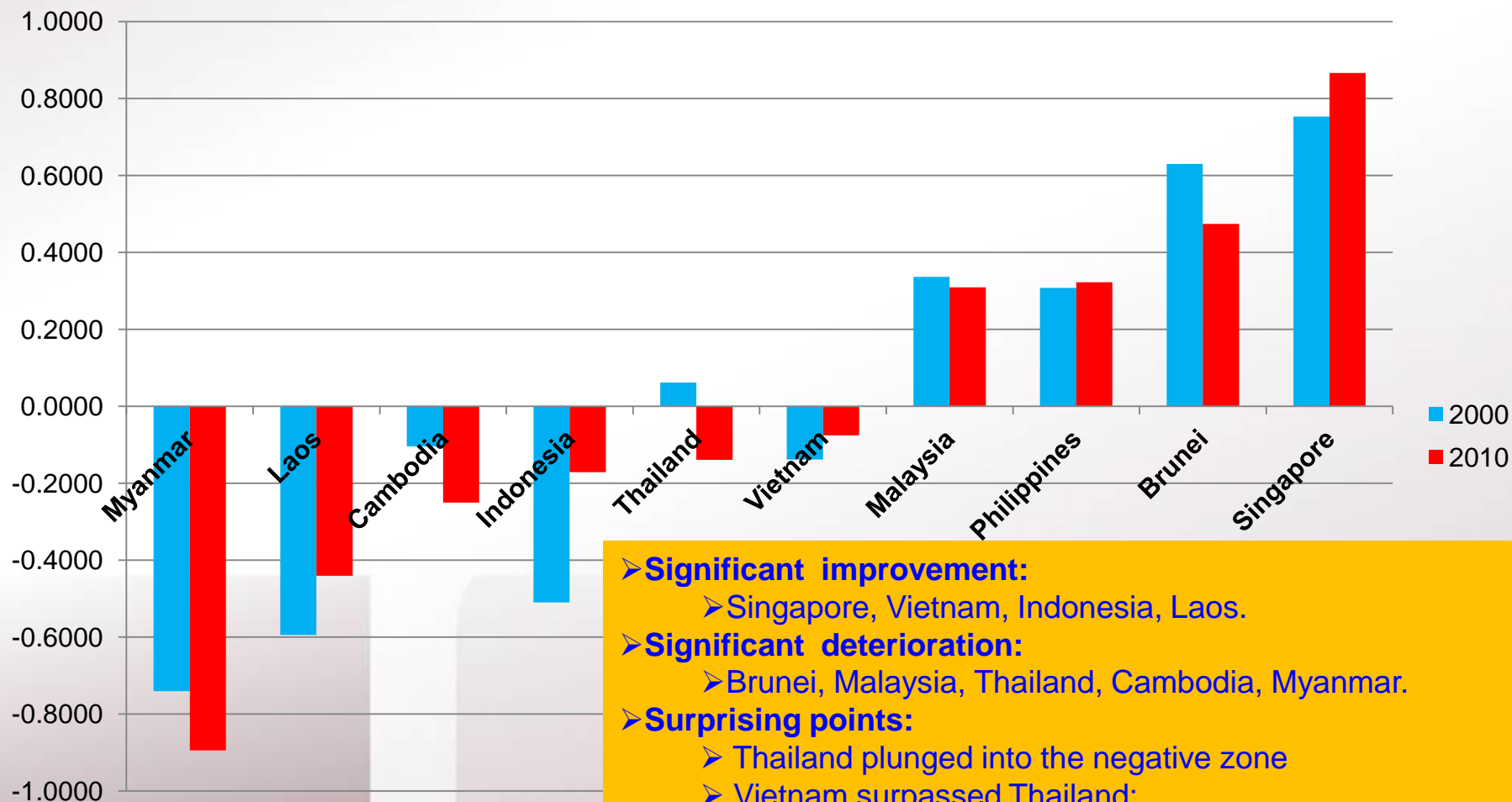
IV-Quality of Life and Infrastructure Development - Physical Infrastructure (PI)-



IV-Quality of Life and Infrastructure Development - Technological Infrastructure (TI)-



IV-Quality of Life and Infrastructure Development - Standard of Living, Education and Social Stability (SLESS)-



➤ Significant improvement:

➤ Singapore, Vietnam, Indonesia, Laos.

➤ Significant deterioration:

➤ Brunei, Malaysia, Thailand, Cambodia, Myanmar.

➤ Surprising points:

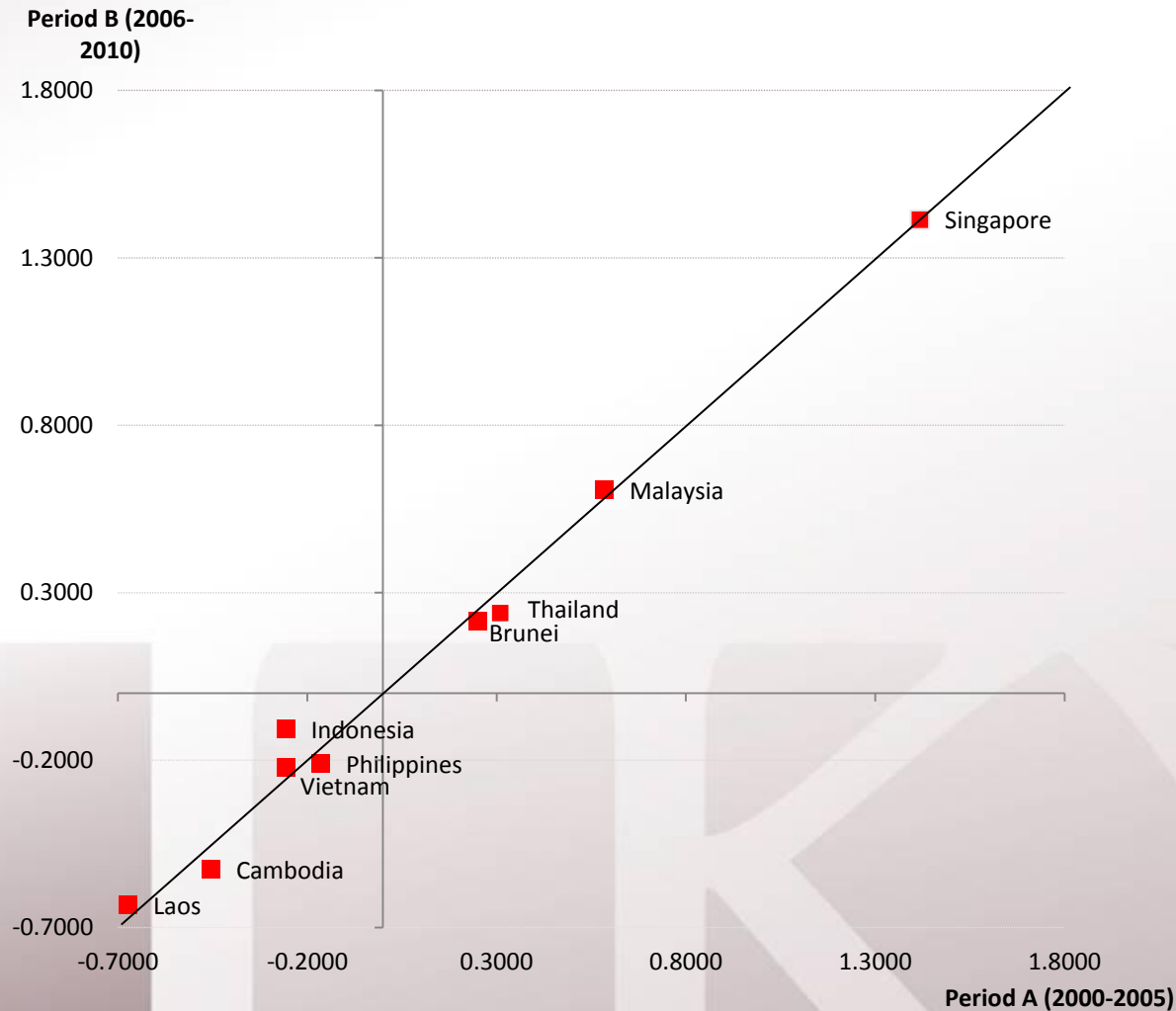
➤ Thailand plunged into the negative zone

➤ Vietnam surpassed Thailand;

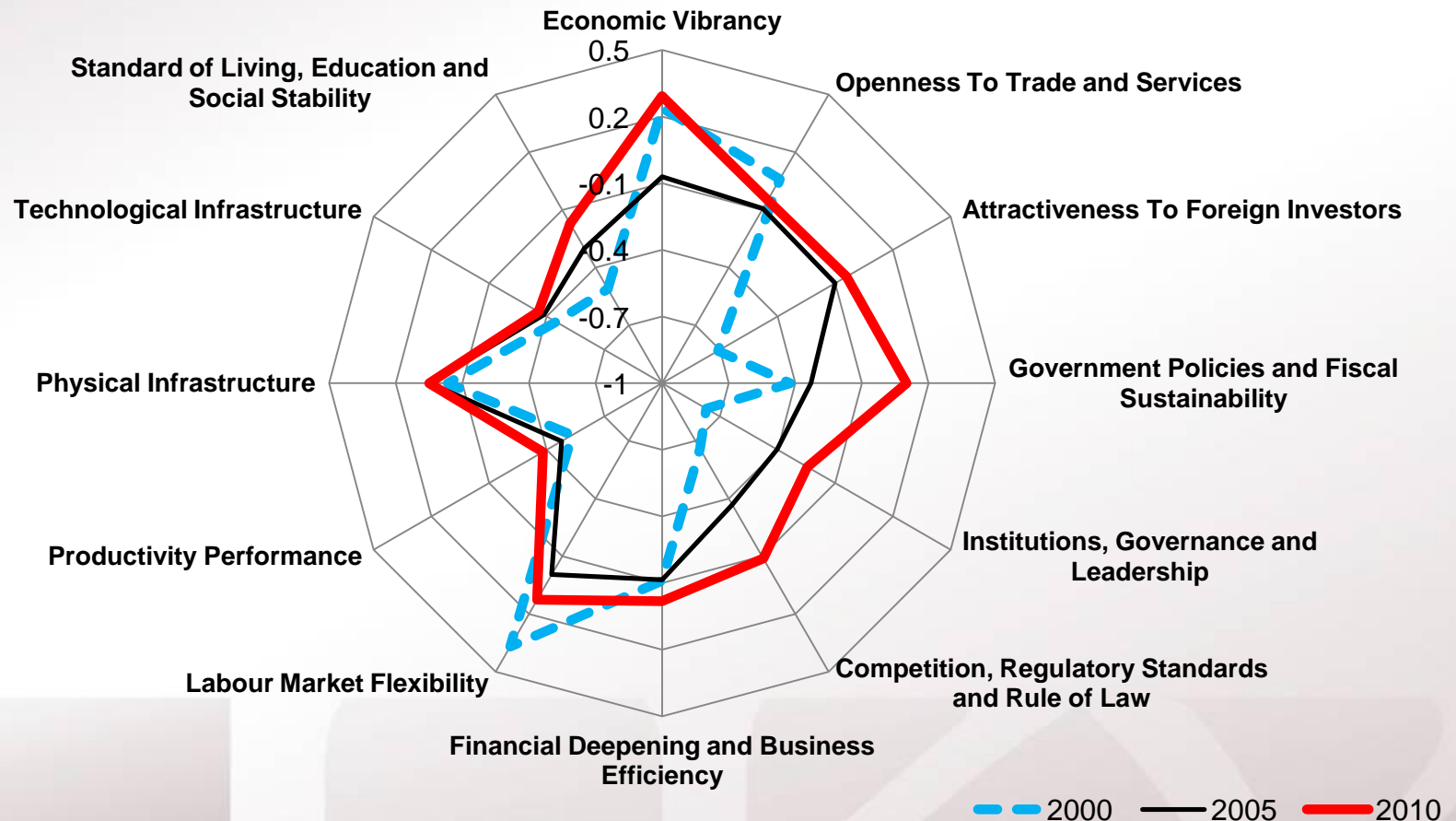
➤ Indonesia surpassed Cambodia

Overall Competitiveness: 2006-2010 versus 2000-2005

A Case Study: Indonesia surpassed the Philippines in 2006-2010

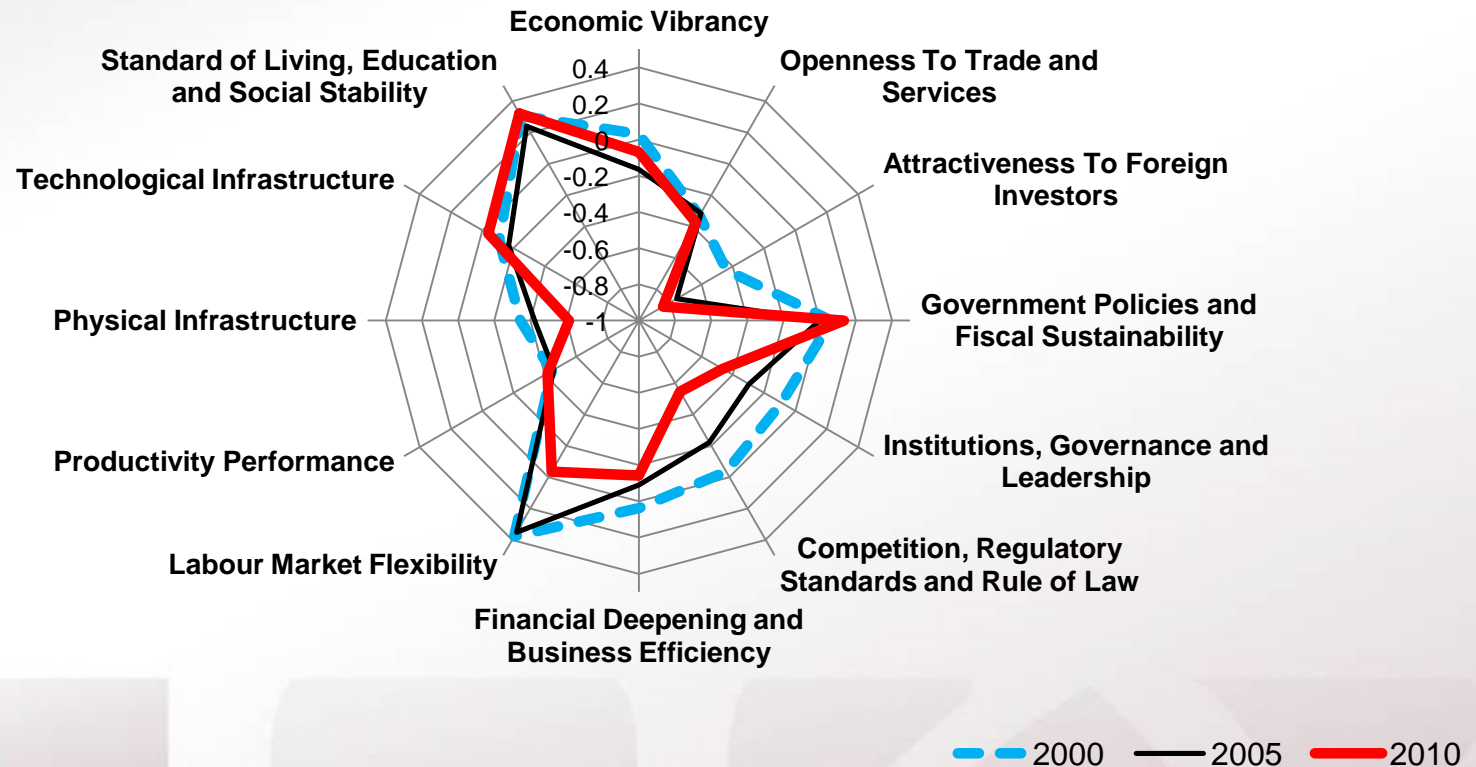


Indonesia 2000-2005-2010



- Indonesia consistently improved its competitiveness on most sub-environments over 2000-2010, especially AFI, GPFS, IGL, CRSRL, FDBE, PP, PI, TI, and SLESS.
- OTS and LMF worsened between 2000 and 2005 but improved between 2005 and 2010
- All 12 sub-environments improved between 2005 and 2010

Philippines 2000-2005-2010



- Philippines' competitiveness declined on most sub-environments, especially, EV, AFI, IGL, CRSRL, FDBE, LMF, and PI.
- The country's competitiveness slightly improved on GPTS, TI, and SLESS.

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4. **Emerging policy issues**
 - **Regional integration**
 - **China-ASEAN connectivity**
 - **Japan-ASEAN Connectivity**
5. Growth strategies: Global growth engines and strategic direction for promoting growth
6. ASEAN-related FTAS, Singapore-related FTA and Conclusion

ASEAN ECONOMIC INTEGRATION

The ASEAN Economic Community (AEC) 2015 is an economic integration framework which aims to promote regional economic integration of all 10 ASEAN nations by 2015 with free movement of goods, services, investment, skilled labor and freer flow of capital. AEC envisages the following key characteristics:

- (a) a single market and production base
- (b) a highly competitive economic region
- (c) a region of equitable economic development, and
- (d) a region fully integrated into the global economy

AEC areas of cooperation: human resources development; capacity building; recognition of professional qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; enhancing private sector involvement in building of AEC. Majority of some 500 opinion leaders in the region surveyed by PECC, think the AEC will succeed.

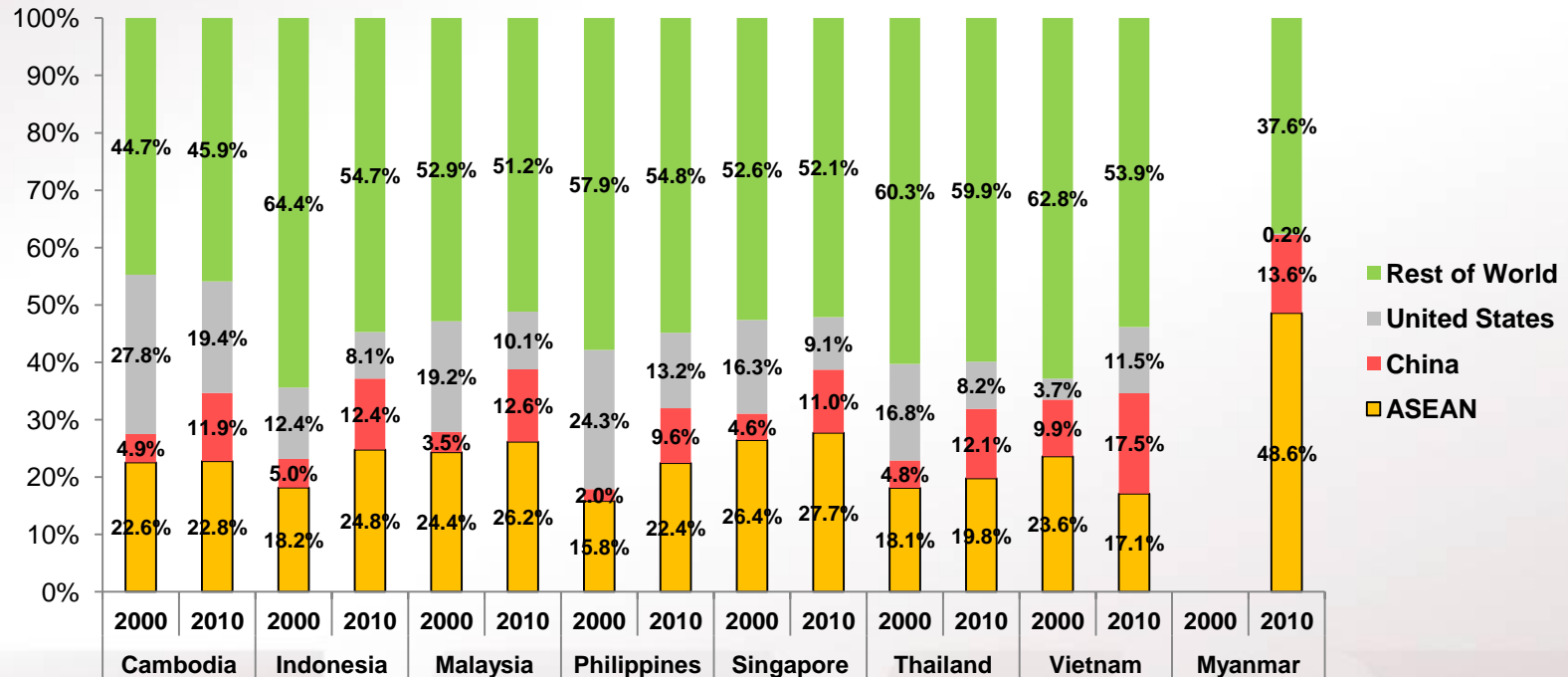
Engines of growth among ASEAN-5 (2000-10)

	Indo	Mal	Phil	Spore	Thai
Indo	1.31	0.09	0.03	0.13 (0.17)	0.06
Mal	0.15	1.23	0.06	0.33 (0.49)	0.16 (0.20)
Phil	0.01	0.03	1.07	0.03	0.02
Spore	0.26 (0.16)	0.30 (0.43)	0.07	1.18	0.15 (0.22)
Thai	0.14	0.18 (0.24)	0.07	0.21 (0.39)	1.27

Note: figures in brackets refer to the period 1990-99

Regional Integration

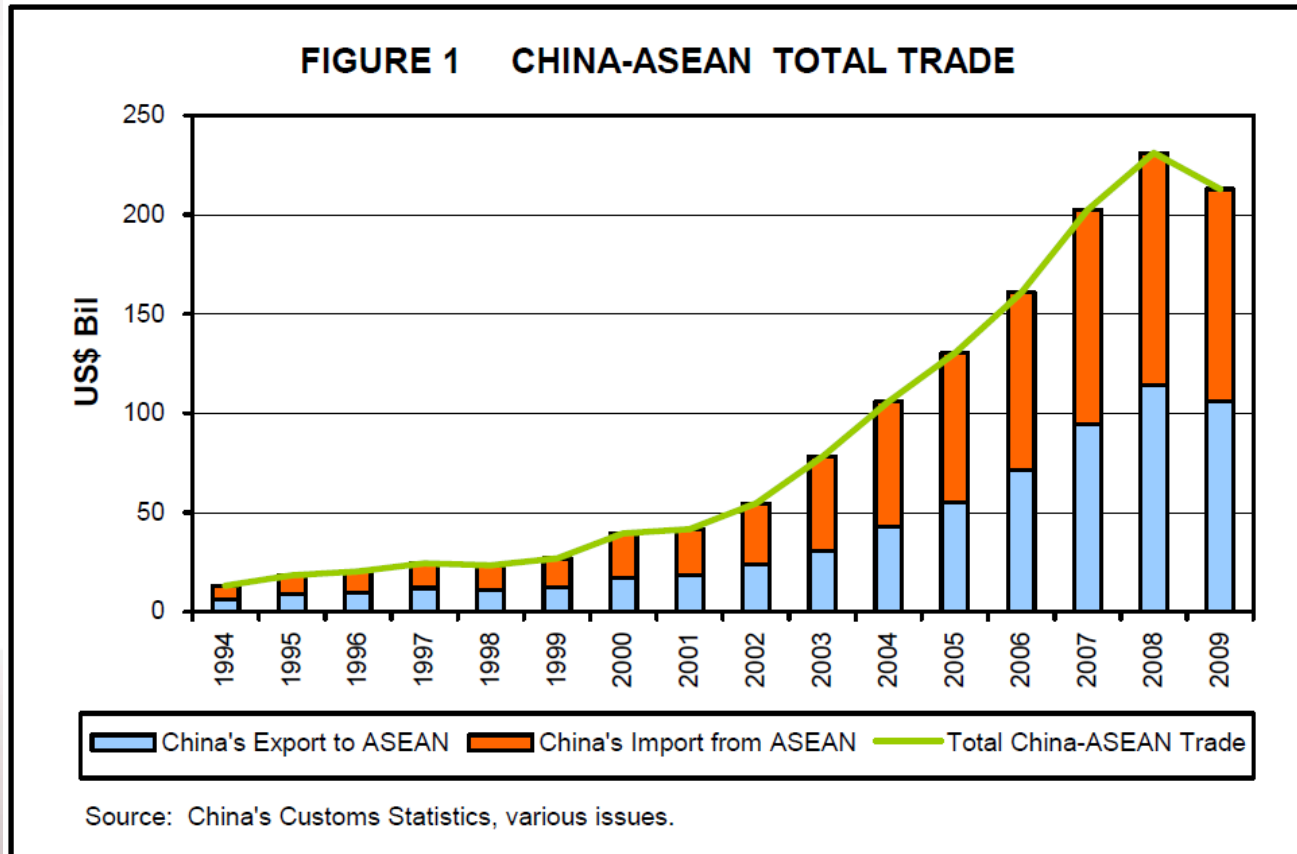
Merchandise Trade Structure: 2010 vs. 2000



Source: Vu (2013)

- The ASEAN accounts for about 20-25% of the total trade with the world of each ASEAN country.
- The ASEAN trade integration tended to deepen from 2000 to 2010 but not at a rapid pace.
- China has become increasingly important trade partner for all the ASEAN countries from 2000 to 2010. In 2010, China surpassed the US as a major trade partner for Indonesia, Malaysia, Singapore, Thailand, Vietnam, and Myanmar.

China-ASEAN Integration



Source: Tong Sarah Y. & Chong Siew Keng, Catherine. *China-ASEAN Free Trade Area in 2010: A Regional Perspective*, <http://www.eai.nus.edu.sg/BB519.pdf>, retrieved on 28 March 2013.

China-ASEAN connectivity versus Japan-ASEAN connectivity

- China-ASEAN connectivity was further highlighted by President Xi Jinping in the 2013 APEC Leaders' Meeting held in Bali. Essentially it expresses China's desire to spread and share her robust economic growth with ASEAN by way of infrastructure development and investment, opening up of the lucrative Chinese market for ASEAN neighbors to further promote people-to-people, institutions and physical infrastructure connectivity. Thus the announcement of Asia Infrastructure Investment Bank by China as a way of resolving and releasing production bottlenecks in ASEAN, thereby to diversify investment channels of China's foreign exchange surpluses and promoting internationalization of Reminbi.
- Japan-ASEAN connectivity was much more intense during the 1980s but gradually fizzled out in early 1990s due to her economy inertia and as Japanese MNCs relocated her value-added production supply chains network to China, attracted by her competitive labor cost, infrastructure efficiency and larger domestic Chinese market. However, given the recent island dispute between the two countries, the latest Japanese connectivity to ASEAN is precisely to reestablish the production value-added supply chain network from China to Indonesia, Philippines, Malaysia, Vietnam and even Myanmar. In 2011, Japan sent 11.3% of her FDI to ASEAN and account for 40% of Thailand's FDI.

China-ASEAN connectivity at national and regional levels

- The Master Plan on ASEAN Connectivity (MPAC) was unveiled in October 2010 in Hanoi, Vietnam, which aims to facilitate the enhancement of regional connectivity.
- An ASEAN Connectivity Coordinating Committee (CCC) has been established to coordinate and oversee the implementation of the MPAC.
- China has been more active than ASEAN in this endeavour. While the Chinese government is in charge of pushing China-ASEAN connectivity, Yunnan and Guangxi are most active in proposing strategies and projects.
- To release her production bottlenecks, ASEAN badly needed physical infrastructure development and investment in terms of highway, speed trains and bridges across islands with competitive longer-term funding, although linkages by way of airport and seaport can also be further strengthen.

China-ASEAN Connectivity: Collaboration Framework

MAIN AGREEMENTS/MOUs BETWEEN CHINA AND ASEAN ON CONNECTIVITY		
Time	Name of Agreement	Remarks
Nov '04	Memorandum of Understanding on China-ASEAN Cooperation	Establish long-term goals
Jul '05	Facilitation of the Cross-border Transport of Goods and People in GMS	-
Sep '07	Plan of China-ASEAN Transport Cooperation	Initiated by China
Oct '07	Joint Statement on China-ASEAN Port Development	Support port development and cooperation in the region
Nov '07	Agreement on China-ASEAN Maritime Transport Cooperation and Framework for China-ASEAN Aviation Cooperation	-
Mar '08	Vientiane Plan of Action for GMS Development (2008-2012)	Accelerate building GMS corridors into multinational transport access
2009	China-ASEAN Transport Cooperation Strategy and Rules of Lancang-Mekong Shipping Fee Memorandum of Understanding on China-ASEAN Maritime Consultation Mechanism and Contingency Plans of Lancang- Mekong River	-
Nov '10	Navigation Emergencies ASEAN-China Air Transport Agreement and its Protocol 1	Designated airlines from ASEAN and China can fly to each other's international airports with full third and fourth freedom rights

China-ASEAN Connectivity: Projects and Implementation Progress

YUNNAN'S PROJECTS WITH ASEAN		
Time	Project/Proposal	Remarks
1989	China-Myanmar Land and Water Transport Channel to connect Junming-Boashan-Ruili-Bhamo-Yangon, extending to the Indian Ocean	Agreement fell through but road from Ruili to Bhamo has been improved.
1998	Greater Mekong Sub-region (GMS) Ministerial Conference proposed building three vertical and two horizontal economic corridors	Yunnan's proposed "GMS Economic Corridors Forum" became a regular feature since 2008, and aims to transform transport corridors into economic corridors.
1999	Sub-regional Cooperation among Bangladesh, China, India and Myanmar (BCIM)	BCIM Forum became an annual affair from 1999. The plan is for Yunnan to strengthen its links with Myanmar in order to extend its linkages with India and Bangladesh.
April 2000	China, Laos, Myanmar and Thailand signed the "Upper Lancang-Mekong River Quadripartite Commercial Navigation Agreement"	To give ships of the four countries the freedom to navigate between China's Simao (in Yunnan) and Laos' Luang Prabang. Chinese government invested USD5 million to improve the navigation channel in Laos and Myanmar.
2004	China-Myanmar oil and gas pipeline proposed.	Pipeline is to enhance China's energy security and allow China access to the Indian Ocean through construction of parallel road and rail links. Construction began in June 2010, expected to be completed in 2013.
2007	Concept of "Third Asia-Europe Continental Bridge".	Continental bridge of 15,000km spanning 21 countries in three continents was proposed by experts and scholars in Yunnan. It was actively promoted by Yunnan government, but thought to be too ambitious by Beijing.

China-ASEAN Connectivity: Projects and Implementation Progress

GUANGXI'S PROJECTS WITH ASEAN

Time	Project/Proposal	Remarks
2004	"Two Corridors and One Ring"	"Two Corridors" refers to the "Kunming-Lao Cai-Hanoi-Hai Phong-Quang Ninh" corridor and the "Nanning-Lang Son-Hanoi-Hai Phong-Quang Ninh" corridor while the "One Ring" refers to the Northern Gulf Economic Zone. This covers China's provinces of Yunnan, Guangxi, Guangdong and Hainan and 10 northern coastal cities in Vietnam.
2005	Nanning-Huu Nghi Quan highway opened to traffic	First highway connecting China and an ASEAN country, and is touted as the most convenient one
June 2006	Pan-Beibu Gulf economic cooperation strategy "One Axis, Two Wings" China-ASEAN regional cooperation strategy comprising the Pan-Beibu Gulf economic cooperation, GMS cooperation and Nanning-Singapore economic corridor	This extends beyond China and Vietnam to neighbouring Thailand, Malaysia, Singapore, Indonesia, Philippines and Brunei Guangxi attaches more importance to "One Axis, Two Wings" strategy and the Nanning-Singapore economic corridor, causing Vietnam's resentment and affecting the progress of the Nanning-Singapore economic corridor.
2009	Nanning-Hanoi (Gia Lam Station) international passenger train was put into use.	This made Nanning the second city after Beijing to have an international passenger train link.

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Growth Strategies: Global growth engines and strategic directions for promoting growth

- Embracing globalization: international integration, regional integration, and domestic market integration
- Making vigorous efforts on building good governance
- Investing in human capital and promoting entrepreneurship
- Improving business environment and pushing for structural change
- Seizing the opportunities brought about by the ICT revolution

Growth Strategies

The Importance of the Major Economic Powers on Growth of ASEAN

Relative Importance of US versus China as an Engine of Growth for ASEAN-5

Period	Ratio
1980-89	9.17
1990-99	4.30
2001-09	1.53
2010-19	*0.65

* Figure projected assuming a linear trend for the natural logarithm of the ratio.

Growth Strategies

The Importance of the Major Economic Powers on Growth of ASEAN

Relative Importance of EU versus China as an Engine of Growth for ASEAN-5

Period	Ratio
1980-89	4.49
1990-99	2.41
2001-09	1.02
2010-19	*0.51

* Figure projected assuming a linear trend for the natural logarithm of the ratio.

Growth Strategies

The Importance of the Major Economic Powers on Growth of ASEAN

Relative Importance of China versus Japan as an Engine of Growth for ASEAN-5

Period	Ratio
1980-89	0.31
1990-99	0.71
2001-09	1.88
2010-19	*4.52

* Figure projected assuming a linear trend for the natural logarithm of the ratio.

China's importance as a major engine of growth for ASEAN countries has been rapidly increasing

Growth Strategies

The Importance of the Major Economic Powers on Growth of ASEAN

Relative Importance of US vs. China as an Engine of Growth for ASEAN-5 in 2000-2010

Country	Ratio
Malaysia	1.69
Philippines	1.59
Thailand	1.57
Indonesia	1.47
Singapore	1.34

Source: Tan et al (2012, Table 9)

Growth Strategies

The Importance of the Major Economic Powers on Growth of ASEAN

Relative Importance of US plus Japan vs. China as an Engine of Growth for ASEAN-5 in 2000-2010

Country	Ratio
Malaysia	2.18
Philippines	2.14
Thailand	2.16
Indonesia	2.20
Singapore	1.74

Source: Tan et al (2012, Table 11)

The US and Japan, however, remain important engines of growth for ASEAN countries

Growth Strategies

The Importance of the Major Economic Powers on Growth of ASEAN (*from Tan et al., 2013*)

- ASEAN should strategically balance the rising overdependence on China.
 - The key network linkages with the most future potential are: India-Indonesia-Singapore, Australia-India and Japan-Indonesia-Singapore. ASEAN should aim to increase trade and investment linkages with these countries.
- ASEAN should manage US participation in the Asian regional economic grouping.
 - US is still the most important engine of growth for all the Asian economies (except Taiwan and Hong Kong). The active participation of the US in APEC, East Asian Summit as well as taking a leading role in the Trans Pacific Partnership (TPP) would be critical in ensuring that this major engine of growth continues to remain seriously engaged in Asia.
- RCEP as an alternative to ASEAN-centric path.
 - An alternative ASEAN-centric path to greater regional trade and economic integration is known as Regional Comprehensive Economic Partnership (RCEP), which is an ASEAN plus three framework supported by China, Japan and South Korea. Indonesia as an emerging middle economic power is likely to play a active role.

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ASEAN-related Free Trade Agreements (FTAs)

1. ASEAN FTA: predecessor CEPT signed 1992; AFAS ASEAN Framework Agreement in Services signed 1995; ATIGA ASEAN Trade in Goods Agreement signed in 2010
2. ASEAN-Australia-New Zealand FTA – ratified in 2011
3. ASEAN-China FTA: goods trade agreement implemented 2005; services trade implemented in 2007, investments implemented in 2010 and CLVM to comply by 2015
4. ASEAN-India FTA: implemented on Aug 2011
5. ASEAN-Japan FTA: All signatories except Indonesia have ratified and implemented the AJCEP since 2008
6. ASEAN-Korea FTA: ASEAN-6 + Korea eliminate tariffs for 90% of all products in 2010.
7. New TBC ASEAN-Europe FTA: FTA talks concluded in Dec 2012 bet Singapore-EU, to be implemented within 5 years; talks on-going between EU and Malaysia, Thailand & Vietnam

Singapore-related Free Trade Agreements (FTAs)

As of May 2013, Singapore has signed 18 FTAs with 24 trading partners or groups of countries. They are:

- 1) ASEAN FTA (AFTA): CEPT 1992; services agreement 1995; goods agreement in 2010
- 2) ASEAN-Australia-New Zealand FTA (AANZFTA): 2011
- 3) ASEAN-China FTA (ACFTA): goods agreement in 2005; services in 2007 and investments in 2010
- 4) ASEAN-India (AIFTA): 2011
- 5) ASEAN-Japan (AJCEP): 2008
- 6) ASEAN-Korea (AKFTA): 2010
- 7) Singapore-Australia (SAFTA): 2003
- 8) China- Singapore (CSFTA): 2009
- 9) Singapore-Jordan (SJFTA) : 2005

Singapore-related FTAs

- 10) Singapore-India Comprehensive Economic Cooperation Agreement (CECA) - 2005
- 11) Japan- Singapore Economic Partnership Agreement (JSEPA) – 2002
- 12) Korea- Singapore FTA (KSFTA) – 2006
- 13) ANZSCEP (Agreement between New Zealand & S'pore on Closer Economic Partnership- 2001
- 14) Panama-Singapore (PSFTA) – 2006
- 15) PeSFTA (Peru-Singapore FTA) – 2009
- 16) European- Singapore Free Trade Association FTA (ESFTA) consist of Switzerland, Liechtenstein, Norway and Iceland – 2003
- 17) Trans-Pacific Strategic Economic Partnership (TPSEP): This is the original version of the TPP which consist of 4 nations namely Brunei, Chile, New Zealand and Singapore. It became effective in 2006
- 18) United States-S'pore FTA (USSFTA) – effective in 2004
- 19) Latest FTA: S'pore-EU FTA (talks concluded in Dec 12; FTA to be implemented by 2018) , S'pore's exporters of electronics, pharmaceuticals and processed food industries stand to benefit the most.

Benefits of FTAs to ASEAN & Singapore

- FTAs are highways that help connect Singapore & ASEAN members to major economies & new markets. With FTAs, exporters and investors stand to enjoy benefits like tariff concessions, preferential access to certain sectors, faster entry into markets and Intellectual Property protection.

An integral part of Singapore's trade architecture, our network of 18 FTAs is designed to position Singapore as an integrated manufacturing centre in this region; promote R & D in our knowledge-based economy and drive the services sector.

- Singaporean firms can choose to take advantage of whichever FTA, Singapore or ASEAN has signed which offers the best terms for their industry, to trade with other countries.

Challenges & Opportunities for ASEAN in Global FTAs

- The ASEAN-10 Competitiveness Ranking provides a valuable policy framework for:
 - Assessing the current competitiveness of each of the 10 ASEAN economies
 - Providing valuable insights for each country to enhance its competitiveness
- ASEAN countries should be more proactive in deepening regional integration and enhancing regional connectivity
- ASEAN should strategically balance the rising overdependence on China and encourage the American and Japanese participation in the Asian regional economic integration

Challenges & Opportunities for ASEAN in Global FTAs

Risks of a Divided World between Pro-USA & Pro-China camps? ASEAN members forced to choose sides? Total obsolescent of WTO?

- **Trans-Pacific Partnership (TPP) Agreement**

TPP under negotiation between 12 countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, USA & Vietnam. Talks scheduled to end 2013. 4 ASEAN nations are in it. TPP aims to be a 21st Century 'Gold Standard' FTA covering all aspects of modern trade such as IP protection, investor-state arbitration etc. Cambodia, Costa Rica, Japan, Laos, Philippines & Taiwan expressed interest to join.

TPP perceived to be US- pushed FTA; requires much deeper economic liberalization; China is not part of TPP. 11-nation will cover market 40% bigger than EU. TPP calls for free movement of almost everything (such as labour rights protection, SOEs reform, total tariff elimination with no exemptions given to sensitive sectors) except free labour movement.

Challenges & Opportunities for ASEAN in Global FTAs

- **Regional Comprehensive Economic Partnership (RCEP)**

The RCEP is an FTA under negotiation between ASEAN members and ASEAN's FTA partners. There are 16 countries involved namely: the 10 ASEAN states, Australia, China, India, Japan, Korea and New Zealand. Over 3 billion people are included, making up 45% of the world's population with a combined GDP of over US\$ 17 trillion (one-third of the world).

RCEP generally perceived to be a Chinese-pushed response to the TPP; USA is not part of the RCEP. If successfully implemented, RCEP could become the largest FTA in the world outside the WTO itself. As in the TPP, ASEAN & Singapore stand to benefit from the RCEP as well and any country interested can express interest to join.

Singapore does not take sides and always befriend any country or organization friendly to us. This would be the best long-term strategy.

Regional tension and political agenda involving major economies could derail regional economic integration

- **Further momentum of China-Japan-Korea Free Trade Agreement (CJK-FTA) is unlikely in the near future and one is not too optimistic in the medium term either, but in the longer-run who knows?**
- **TPP as it evolved from the original P-4 FTA initiated by Singapore in 2006 currently have more than 12 members committed or interested in. However, TPP so far has been overshadowed by political agenda and unlikely to move forward meaningfully given the difficulty of China to join such an “high quality” FTA, however this should not discourage China to be “in negotiation before concluding it” as economies such as Vietnam and Japan do possess serious difficulties too in compliance to the “high quality”.**
- **Japan proposed Comprehensive Economic Partnership in East Asia (CEPEA) so as to play an active leadership role in East Asia which in fact is FTA of ASEAN 3+3 (i.e. India Australia and New Zealand) where all 16 members are members of the East Asian Summit; meanwhile China has taken keen initiative in discussion pertaining to East Asia Free Trade Agreement (EAFTA) where government officials are engaged in the discussions under the four working groups.**

WHY it may be more realistic to move from RCEP to FTAAP to better reflect balanced regional interests?

- **RCEP can be seen as a compromise when China and Japan jointly proposed in August 2011 ASEAN to set up three working groups in goods, trade in services and investment.**
- **Hence ASEAN proposed in November 2011 an ASEAN-Led Regional Comprehensive Economic Partnership (RCEP) which was affirmed by leaders from East Asia Summit in April 2012.**
- **RCEP could be the most realistic pathway to Free Trade Area of the Asia-Pacific (FTAAP) which would be the most widely supported approach since USA, China and Japan (and surely Chinese Taipei too !) are included. Other interested potential members such as India and other smaller economies would surely be welcome.**
- **As Indonesia recovers steadily since 2005 as a rising middle power after her economic set back in Asian financial crisis of 1997, the importance of Indonesia is noticed especially in view of the recent rising regional tensions over territory sovereignty amongst some members of ASEAN and China.**

Further momentum for RCEP: Leadership plus and harvesting the low lying fruits through a positive list

- **Momentum for RCEP can be further enhanced with leadership from China, Japan and Korea as leadership for these countries have argued strongly on connectivity with ASEAN, assuming the ASEAN centric approach will be respected.**
- **Given the different stages of economic development for participating economies, it would be good if two-tier track can be pursue or bi-lateral variation can be allowed between economies.**
- **There are areas of low lying fruits which RCEP can considered as follows for quick negotiation:**
 - a. **Capacity building is critical for upgrading of economies including in handling foreign direct investments and repositioning of production value-added supply chain networks;**
 - b. **Infrastructure development and investment should be pushed through financial service liberalization whereby RMB can become the vehicle currency for financing as it benefits ASEAN with lower financing cost and diversifying investment channels for economies with foreign exchange surpluses such as China, Japan, Korea, Chinese Taipei, Hong Kong and Singapore;**
 - c. **Food security and food processing are also highly critical for ASEAN as part of her export drive;**
 - d. **Environment standards especially on air, water and forestry do have some urgency for adoption;**
 - e. **Market accessibility for SMEs amongst ASEAN Plus members are paramount for regional economic integration;**
 - f. **E-commerce, E-government and Ease-of-doing business should be quickly concluded;**
- **Negative list with items which members of RCEP are less prepared include the following:**
 - a. **State-owned-Enterprises or government-linked companies;**
 - b. **Intellectual property rights;** c. **Labour standards;** d **Capital controls and capital account liberalization.**

Thank you for your attention!