

ASEAN ROUND-UP

AEC Launch: Will It Mean So Much For Southeast Asians?

The Jakarta Post, December 31, 2015

The realization of the ASEAN Economic Community early this month will mark the region's long-held aspiration for the peoples of Southeast Asia to determine their own political, economic, and socio-cultural course. For many in the region, however, this event means little. This is worrying: the AEC must succeed for ASEAN to develop a strong common identity. On the surface, the achievement looks impressive but weaknesses and inconsistencies remain.

Read more: <http://www.thejakartapost.com/news/2015/12/31/aec-launch-will-it-mean-much-southeast-asians.html>

Why it matters: The AEC requires the people's support and involvement. Without it, integration will likely not move forward and the benefits of the AEC will remain limited for most. ASEAN needs to present deliverables to the peoples of Southeast Asia and ensure they expand in reach.

How Thailand Missed the AEC Boat

The Nation, January 5, 2016

The Thai government has prepared the country for regional economic integration by raising public awareness about ASEAN, fostering education, enhancing skills and technology, and building networks for international trade and investment. However, these efforts suffer from the government's overemphasis on the economy at the expense of the social and political pillars of regional integration. As a result, most Thais are not ready for the influx of goods and people from neighboring countries. The collective effort by media and universities has done little to improve the situation. Most of the blame must go to the Thai government's general lack of preparedness.

Read more: <http://www.nationmultimedia.com/opinion/How-Thailand-missed-the-AEC-boat-30276109.html>

Why it matters: Thailand is perhaps not the only member state that feels it is under prepared for this step of regional integration. Some ASEAN states have developed thorough strategies in preparation of the AEC, but lack of implementation may be the biggest source of ineffectiveness.

How Small Businesses Can Benefit From the AEC

Nikkei Asian Review, January 4, 2016

The timing of this new effort at regional economic integration is ideal, as the other huge regional powers like China and India are slowing down. The AEC will benefit the 10 ASEAN member states, as it envisions a single market and production base that allows a freer flow of goods, services, investments, skilled labor, and capital. It will draw more investment from international companies as well as offer new opportunities for smaller ones.

Read more: <http://asia.nikkei.com/Viewpoints/Viewpoints/How-small-businesses-can-benefit-from-the-AEC>

Why it matters: The new opportunities that the AEC presents for small businesses may spark good will amid growing skepticism. The AEC sends a strong signal to the business community, both big and small, once the benefits of a regional market of 10 countries are clearer.

What the AEC Means for Laos

East Asia Forum, January 1, 2016

The AEC will not only present new opportunities but also some significant challenges for Laos. Despite the relatively high growth over the last two decades, the country is still struggling as one of the poorest nations. Laos' future will depend on how effectively the country can facilitate trade and improve connectivity. Sustainable long-term growth and development will not only require a strong political commitment but also effective integration into the AEC.

Read more: <http://www.eastasiaforum.org/2016/01/01/what-the-aec-means-for-laos/>

Why it matters: The AEC will not only pose challenges for Laos' economic growth alone but also to the ASEAN chairmanship that the country is responsible for this year. Once the integration process proceeds, disputes will come to the fore and Vientiane, as this year's ASEAN chair, is on the hook to smooth things out. Luckily, Laos has experience chairing ASEAN and seems to be willing to take a proactive stance to push regional integration forward.

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The ASEAN Economic Community: The Force Awakens?

The Diplomat, January 12, 2016

The agreement on ASEAN Economic Community is dubbed as an “awakening” of a new Asian power block. It seeks to allow for freer movement of goods, services and skilled labour; a notable shift compare to the earliest years of its existence which was intended as a political mechanism for a peaceful regional integration. However, the scepticism heightened around two major points: 1) the possibility of ASEAN to pursue economic integration based on voluntary commitments and 2) which objectives ASEAN should focus on to build on the AEC?

Read more: <http://www.nationmultimedia.com/opinion/How-Thailand-missed-the-AEC-boat-30276109.html>

Why it matters: One of the major concerns to build such community in ASEAN is the complexities and challenges to accommodate the member states’ differences and interests. Not to mention the ASEAN underlying principle of consensus and non-interference as this will be the roadblocks to create a sense of uniformity for the community. In order to overcome these challenges, a greater emphasis on regional institution-building as well as relaxation to the aforementioned principles are crucial to support the development of the new economic landscape in ASEAN.

How TPP Can Disrupt ASEAN Economic Integration

The Jakarta Post, January 6, 2015

The inclusion of some ASEAN members in the TPP and the exclusion of others will bring potentially disruptive effects on the AEC. The TPP is likely to create trade and investment diversions, gaps between countries, and negative sentiments among ASEAN leaders.

Read more: <http://www.thejakartapost.com/news/2016/01/06/how-tpp-can-disrupt-asean-economic-integration.html>

Why it matters: The TPP requires signatories to comply with a high standard of rules, which will further require many national laws to be amended or rescinded. The TPP would not necessarily create a freer market. Instead, governments will take part in a more regulated trade regime, resulting in a more complex international

market access. The situation can create a diversion within the AEC but it can also push ASEAN to step up its game and adjust member countries to the more regulated trade regime.

Hard Truths and Wishful Hopes About the AEC

Strait Times, January 2, 2016

The AEC is “no magic silver bullet” but it can help maintain ASEAN cohesion in the evolving big-power competition. The main influence over the future of the AEC is the different domestic politics of key ASEAN members. Integration is never politically easy, no matter how compelling the economic logic is.

Read more: <http://www.straitstimes.com/opinion/hard-truths-and-wishful-hopes-about-the-aec>

Why it matters: The Southeast Asian region is a very diverse one in terms of cultures, ideologies and economies. ASEAN countries are going to need more political will to further integrate the member states, especially when autonomy and sovereignty are put at stakes.

TPP and RCEP ‘Will Be Good For Thailand’

The Nation, January 4, 2016

The AEC is important to Thailand since it leads to more effective flows of capital and trade in services, in addition to a freer flow of goods. On the other side, the TPP can also work well for Thailand since the 12-nation trade bloc includes other partners: China, India, Japan, South Korea, Australia, and New Zealand—more free trade is better for the region.

Read more: <http://www.nationmultimedia.com/business/TPP-and-RCEP-will-be-good-for-Thailand-30276046.html>

Why it matters: Although TPP is claimed to bring more benefit for its signatories’ economies, ASEAN member states who are signing up for it must remember their role in the TPP is minimal as they were not the negotiating parties. The AEC can provide greater leverage because ASEAN member states themselves are who first initiated the agreement.