



ASEAN Economic Community Trade Facilitation and Regional Connectivity

**USAID TRADE & INVESTMENT TRAINING:
PROGRAMMING FOR GREATER IMPACT AGENDA
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OUTLINE

- **ASEAN in the World: ASEAN progress in economic integration towards AEC (intra- and extra-ASEAN trade)**
- **Economic integration and Trade Facilitation: tariff liberalization be reinforced by Trade Facilitation**
- **ASEAN develops the Master Plan of Connectivity: improving physical and institutional and regulatory linkages**
- **Conclusions**



ASEAN in the World

Share of World GDP

Share of GDP at current PPP dollars to world total (%)

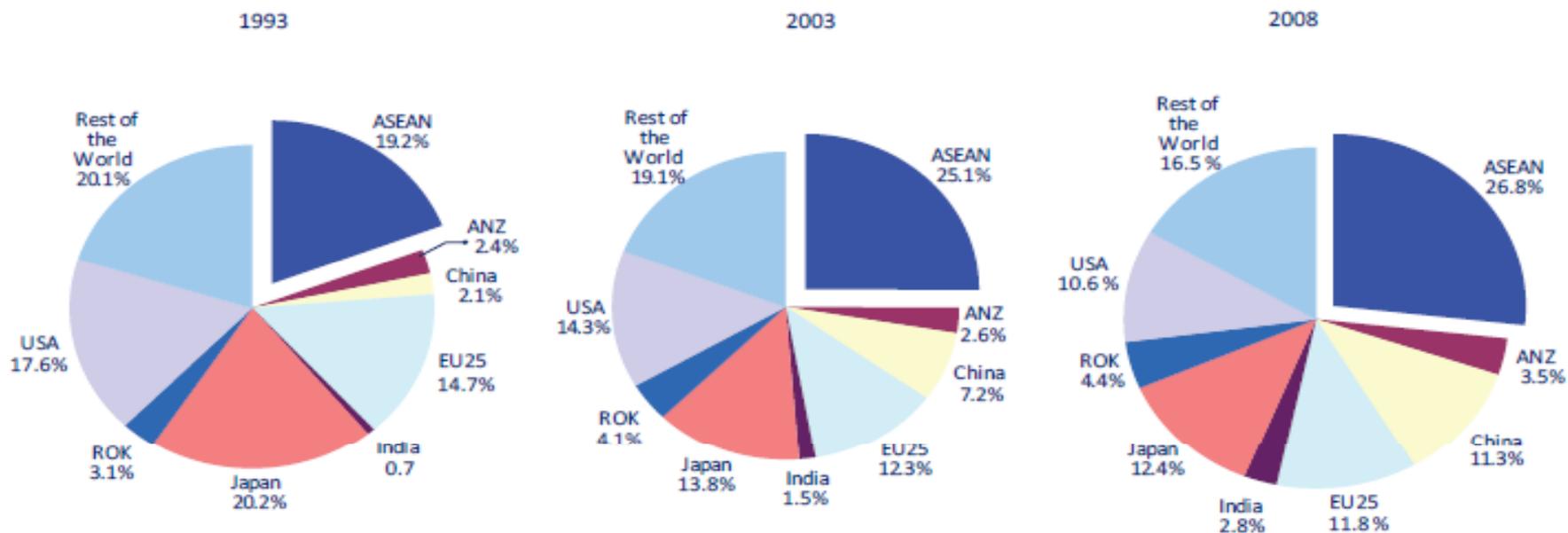


Source: AEC Chartbook 2009



ASEAN in the World

ASEAN's Share of ASEAN Trade and top trading partners



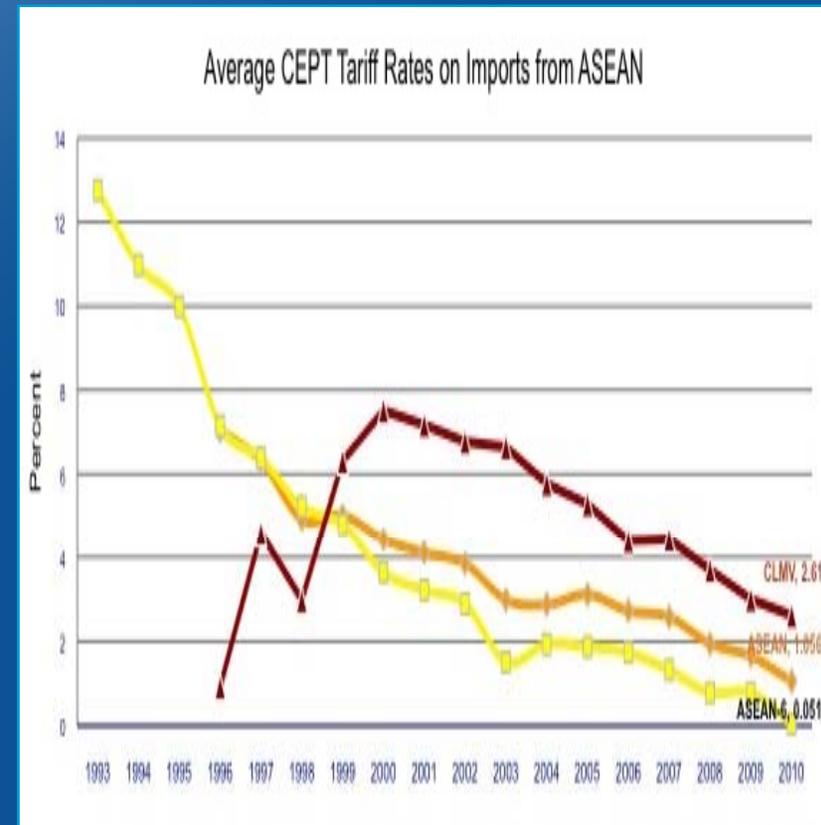
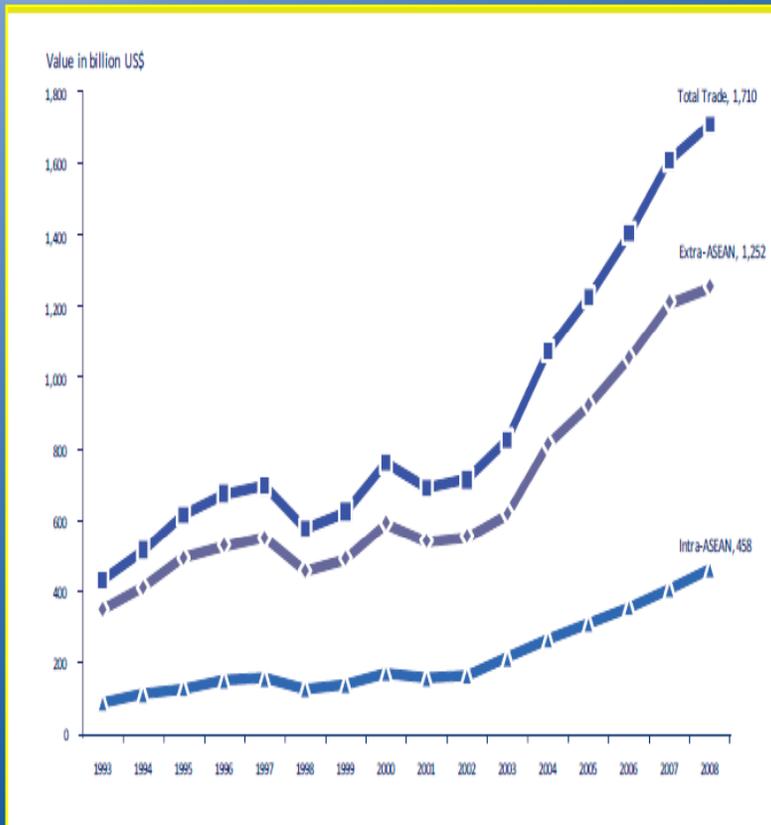
Note: Increasing in share: ASEAN; China; India; ANZ Decreasing in share: EU25; Japan; USA, Rest of the World

Source: AEC Chartbook 2009



ASEAN in the World

Free Trade Area realized in 2010



Source: AEC Chartbook 2009



ASEAN ECONOMIC COMMUNITY

SINGLE MARKET AND PRODUCTION BASE

Free flow of goods

Free flow of services

Free flow of investment

Free flow of capital

Free flow of skilled labor

Priority Integration Sectors

Food, Agriculture and Forestry

COMPETITIVE ECONOMIC REGION

Competition policy

Consumer Protection

Intellectual Property Rights

Infrastructure development

Taxation

e-Commerce

EQUITABLE ECONOMIC DEVELOPMENT

SME development

Initiative for ASEAN Integration (IAI)

Integration into the Global Economy

Coherent Approach towards External Economic Relations

Enhanced participation in global supply networks

Human Resource Development

Research and Development

Economic integration and Trade Facilitation

Successful realization of tariff reduction be strengthened by trade facilitation

Trade facilitation measures make tariff reduction effective or effective reduced tariff – goal of Common Effective Preferential Tariffs of Free Trade Arrangements





**CROSS BORDER
TRANSACTIONS**

SEAMLESS

**BEHIND -THE-BORDER
MEASURES
SYNCHRONIZATION**

**FREE FLOW OF GOODS
AND COMMODITIES
AND MEANS OF
TRANSPORT**



TRADE FACILITATION WORKS FOR BETTER CONNECTIVITY FOR

- 1. SYNCHRONIZED INTERVENTION**
- 2. COST EFFECTIVENESS (COST REDUCTION
AND SERVICE QUALITY)**
- 3. BETTER PREDICTABILITY AND PLANNING
FOR TRADERS**

TRADE FACILITATION DIMENSIONS

For CROSS BORDER AND BEHIND THE BORDER
TRADE

TIME
(Certainty and
Predictability)

GEOGRAPHY
(Connectivity
& linkages)

COST
(X-Efficiency,
Productivity,
Resource
allocation)

COMPETTIVENESS

PERSPECTIVES ON IMPLEMENTATION OF TRADE FACILITATION



**GLOBAL MEASURES &
PRACTICES**



**LOCALIZED ACTIONS &
PRAGMATIC ADJUSTMENTS**



**INTEGRATED ROADMAP &
PHASE BY PHASE
ACTIVATION**



Specific measures of trade facilitation by ASEAN

- 1. ASEAN Trade In Goods Agreement (entered into force on May 17 2010) has chapters on Trade Facilitation, on Customs, and on SPS.
- 2. Trade facilitating measures form part of the modernization of ROO regime.
- 3. Accelerated implementation of the ASEAN Transit System.



ACTIONS BY ASEAN

- 1. Implementation of the ASEAN Customs Declaration Document**
- 2. Draft Protocol 7 – ASEAN Customs Transit System finalized for signing in 2010**
- 3. Acceleration of implementation of the ASW and respective NSWs**
- 4. Implementation of ASEAN Cosmetics Directive by all Member States**
- 5. ASEAN Harmonized Electrical and Electronic Equipment Regulatory Regime (AHEEERR) for implementation by January 2011**



ASEAN CONNECTIVITY

- 1. ASEAN Leaders mandated development of the Master Plan of Connectivity for endorsement at the 17th Summit in this month of October, 2010.**
- 2. Three major components: Physical, Institutional and Regulatory, and People-to-People linkages.**
- 3. Physical connectivity be only realized with well designed systems of management and qualified staffs.**



ASEAN CONNECTIVITY (2)

- 4. ASEAN is also working in securing resources for implementation of actions identified by the Master Plan.**
- 5. The Master Plan can only be implemented with strong partnership with businesses and industries.**
- 6. Institutional and organizational arrangements play key role.**
- 7. Narrowing development gap is a priority in the ASEAN Master Plan of Connectivity.**



ASEAN Trade Facilitation and Challenges

- 1. Not timely realization of political decisions.**
- 2. Current legislations and regulations inadequate for cross border movement.**
- 3. Slow transposition of regional commitments into national legislations and regulations.**
- 4. A lack of ownership of benefits and challenges of trade facilitating measures.**



ASEAN Trade Facilitation and Challenges (2)

- 4. Not comprehensive understanding of trade facilitation.**
- 5. Training on trade facilitation should not be specific.**
- 6. Entrenched culture of localism and fragmentation.**
- 7. Lack of financial and human resources for implementation.**



CONCLUSIONS

- 1. Trade Facilitation should contribute to ensure effective benefits of trade liberalization to the trading community for the ASEAN Economic Community.**
- 2. Trade Facilitation forms part of the Connectivity and ASEAN is investing substantial efforts on trade facilitation through establishment of a clear roadmap (ASEAN Trade Facilitation Programme), effective implementation and monitoring and in particular, adoption of specific activities like establishment of the ASW.**
- 3. Trade facilitation will be only realized with cross-border and behind-border measures. The latter should be part of the agenda of governmental agencies and of focus of businesses and industries.**



CONCLUSIONS

4. ASEAN Connectivity contributes to ensure sustainable growth on the basis of productivity and better competitiveness.
5. Trade Facilitation should also be owned by the trading community in making possible a free flow of goods, production factors and means of transport.
6. Effective activation of Trade Facilitation will take place with upgrading skills and technical capability of officers and trained economic operators.

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**THANK YOU AND
QUESTIONS AND
ANSWERS**

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