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Essay1 ASEAN: Origin, evolution, and economy

ASEAN stands for the association of Southeast Asia nations while AEC stands for ASEAN economic community in which mainly focuses on economic activities.

During the cold war, communism gradually speared around Southeast Asia region. To prevent domino effect, the remaining democratic countries that are Thailand, Singapore, Malaysia, Indonesia, and Philippines had to cooperate contributing to ASEAN.

So as to compete with world market and strengthen economic integration, AFTA emerged which led to free trade among member countries. However, it is not completely free trade at first but gradual tariff reduction instead.

Apart from ASEAN members, they also collaborate with other countries such as Japan, Korea, China, India, etc. in which leads to Extra-ASEAN FTA.

AFTA helps significantly increase FDI from both external and internal sources because of ASEAN's competitiveness. the ASEAN population is the 3rd largest in the world as well as more than half of the population are under 30 years old implying a large number of workers and consumers. Furthermore, human capital in ASEAN is getting more qualified since the labors are more educated, skilled, more productive.

In ASEAN, the minimum wage is relatively low compared to other regions encouraging a lot of countries to invest within ASEAN. For instance, Japan moved to Thailand due to lower cost of labors for its own production causing an inflow of both technology and infrastructure.

ASEAN economy has continuously increased since 2000. The GDP growth is significantly high after China and India. Moreover, ASEAN experienced less GDP growth volatility assuring economy stability, lower share of debt to ensuring trust, and slightly change in inflation rate encouraging more investment. Among member countries, CLMV faced the highest growth.

The main economic sector in ASEAN is service sector followed by manufacturing and then agriculture. Unfortunately, 40% of labor in Thailand work for agriculture sector while 90% of overall income are from service and manufacturing. So, almost half of population currently suffer from poverty.

With AFTA, the main partner for ASEAN is intra ASEAN. However, the trend of export for intra ASEAN does not dramatically rise due to China influence which is the key partner for ASEAN.

Japan and Korea are one of the major import partners for ASEAN since they invest in the region and import machinery and intermediate goods for production.

FDIs mostly go through wholesale and retail trade which accounted for 30%, and 20% for manufacturing. Among CLMV, Vietnam receipts the highest FDIs.

Due to highest growth in ASEAN, CLMV's businesses are interesting. For example, Dao Heuang Group which is a big company in Laos launching many product lines such as coffee, tea, water, and duty free. In Vietnam, a lot of products start with Vina such as vinamilk and vinaphone are state owned enterprise that belonged to government business. They try to strengthen the brand and cover a lot of product line as same as Samsung in Korea.

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Essay2 Cambodia economy

Based on statistics, Cambodia is the sixth fastest growing economy in the world, the growth rate during the past 3 years is approximately 7 percent while the inflation rate is nearly 3 percent. The main competitiveness are mainly lower cost of labor and young population in which more than 50% of overall inhabitants are under 25 years old.

Human development in Cambodia is currently in progress, government plans to open more schools and universities in the rural area as well as training center for workers. Moreover, due to excellent diplomatic relationship, there are a lot of scholarships provided for Cambodians from various countries such as Thailand, Japan, Canada, etc. Located around border provinces, young Cambodia population are allowed to cross the border and study in Thai school because there is no school in rural area for the citizen. With an increase in education and skills, labors in Cambodia are more educated and productive.

To increase trade, Cambodia has signed many trade agreements with 29 countries searching for export market globally. As a result, Thai investment in Cambodia has been continuously increasing since 2016. To facilitate trade volume, Thailand and Cambodia constructed link train to connect the border.

With an incentive trying to close the gap of development and sustain the growth, Cambodia has joined ASEAN, CLMV, and also ACMECS.

In the past, many workers moved to work in Thailand because of higher minimum wage, internal stability, and better insurance. However, government tries to implement the policies encouraging Cambodia workers back to the country with higher minimum wage and better insurance including medical check. Now, labors with working experience in Thailand have more skills and open their own businesses such as restaurant businesses.

Some workers still work in neighbor countries, Cambodia prevents worker exploitation by using Facebook live and hotline since workers are illiterate and these method are helpful that many Cambodia workers use them frequently.

Cambodia population now has more purchasing power compared to the past. The number of Cambodia visiting Thailand increases each year. Moreover, a lot of foreign businesses are now launching their branch in Cambodia such as Amazon coffee, Bangkok hospital, and Japan hospital.

Furthermore, Cambodia imports a lot of consumer products from Thailand because of cheaper price and good quality.

Thai entertainment industry is also famous in Cambodia. They love listening and watching both Thai music and drama. So, this is challenging for Thai investors in order to capture more clients or use this opportunity as a platform for promoting Thai products.