

EE551&EE561 : Daily reaction essay | July 20, 2019

Before this course begins, I just know a few information about ASEAN, The Association of Southeast Asian Nations, which are Myanmar, Thailand, Cambodia, Singapore, Indonesia, Laos, Vietnam, Malaysia, Philippines, and Brunei Darussalam. When I was in high school, I heard that Thai government announce “we are going to open AEC, ASEAN Economic Community” but I did not know what it is. The most interesting part of this lecture is to know why we have to establish AEC. The data from statistics of the ASEAN countries show that the ASEAN’s population is 622 million people which is the third largest in the world. More than 50 percent of the ASEAN’s population is under 30 years old which are high purchasing power and effective labors. It attracts to foreign investors to invest in capital and hire employees since the ASEAN countries has low minimum wages especially in CLMV countries which are Cambodia, Laos, Myanmar, and Vietnam. ASEAN’s GDP has experienced rapid growth from US\$1.33 trillion in 2007 to US\$2.57 trillion in 2014 so the ASEAN economy was the third largest in Asia and the seventh largest in the world in 2014. The main economic sectors of GDP share is services, manufacturing, and agriculture respectively. For FDI or foreign direct investment in the ASEAN, the highest recipient of FDI among the ASEAN countries is Singapore which is 45.7 percent in 2017. The highest activity is wholesale and retail trade, and repair of motor vehicles and motor cycles for 28.6 percent. For example, Japan’s car companies (Toyota, Isuzu, Honda, Nissan, Mitsubishi, and Suzuki) invest in Thailand and Indonesia to be the base of car manufacturing and exportation to other countries. To sum up, if AEC is formed, it will be greater trade between member countries, mobility between population, and competitiveness because the ASEAN countries will have bargaining power in the world trade market. Moreover, there is ASEAN Free Trade Area (AFTA) for the ASEAN countries and Extra-ASEAN Free Trade Area which include the main ASEAN trade in goods with partners

exportation and importation : China, Korea, Japan, India, Australia, and New Zealand. It will reduce the tariff to maintain ASEAN's competitiveness in attracting foreign direct investment from external sources and from the countries in free trade area.

In my opinion, I agree with the idea of ASEAN community to collaborate with members to have a bargaining power to deal with other countries. This lecture make me rethink about the original members of the ASEAN countries. I think 10 members countries are the founder of ASEAN but, in the reality, the original members are only 5 countries which are Indonesia, Malaysia, Philippine, Singapore, and Thailand. (Sources : <https://aec.kapook.com/view49579.html>)

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Mrs. Lay Chanrasmey, Cambodia diplomatic relation with Thailand, is the guest speaker in this class. She talks about Cambodia profile. Cambodia's population in 2019 is 16.28 million. More than half of the population is under 25 years old. The data from Thailand's government show that more than 0.5 million Cambodian or Khmer people come to Thailand to escape poverty and political conflict to find jobs which pay higher minimum wages than in Cambodia to the workers. It means that the Cambodia workers have to know Thai language. In the past, most of schools in Cambodia are in urban area so people who live in rural area cannot access to the education. Most of them get one-day boarder pass, cross boarder to study in Thailand's schools, and learn Thai language also. At the present, the government is trying to increase the number of schools to cover the whole country. The most influencing part is the speaker said "In fact, the Cambodia workers who work in Thailand want to go back to their own country and work in their hometown because now Cambodia has a lot of foreign direct investment in the country. Cambodia economy grows around 7 percent per year from 1995 to 2018 and now it is the sixth fastest growing economy in the world." It happened because Cambodia signed agreement on investment promotion and protection with 29 countries around the world and also some the ASEAN countries to attract investors. In addition, the workforce is increasingly well educated and eager to learn and work with global companies.

In my point of view, I agree with the speaker that the workers want to find a job in their own country that they can spend time with their own family since Cambodia is the sixth fastest growing economy in the world. It influences a lot of countries to invest in capital and hire labor with the low wages to reduce the cost of production. When the foreign companies launch the business, the rate of domestic employment will be higher automatically. Cambodia workers in foreign countries will

reduce and this situation might occur some problems. For example, in Thailand, many workers in hard-working jobs are the labors from lower minimum wages countries, including Cambodia. If these labors go back to work in their countries, companies in Thailand will get effects directly. Therefore, this class opens my mind to know what is going on and to know aspects from the citizen of the neighborhood countries of Thailand.