

## REACTION PAPER

### ASEAN FINANCIAL INTEGRATION:

The freer flows of capital in ASEAN that is not going to be free flow, but can be freer flows of capital. In addition, orderly capital account liberalization. And the concept of capital flows is between FDI and FPI. But FDI almost positive most of the time. The aiming for freer flows of capital. Bank loan and portfolio can be negative. And sometime FDI not to be negative because FDI more stable than FPI during crisis, you sell stock and FPI become negative.

The freer flows of capital account liberalization and the degree of risk such as current account, direct, investment, portfolio inflows, outflow and other flows. It makes foreigner can buy our stock easier than us buying foreign stock and can only do so just the big funds and if individual want to invest, it can only go through mutual funds. The international monetary fund capital account liberalization. And It can separate of capital in 2 ways that is outflow and inflow. The first about outflow measure, for example the different of the Thailand and Malaysia is stop outflow that is different manage of each country. The second is inflow measures that stop inflow by telling that you can bring in capital but it need to stay in Thailand for a year. If you bring it back before time, you need to pay 30 percent of tax. And nowadays Thai baht appreciate but if it constant it will depreciate later.

The freer flows of capital in international investment agreement that legally binding treaties between countries to provide foreign investors from the home state with rights and remedies to protect the investment in to the host state. The free trade agreement such as goods, services and investment. And the basic framework of international investment agreements that has scope to defines what is in the agreement with in or out. The obligation that tells what you have to do as host country. Moreover, in the dispute settlement that if breach the obligation, as foreign investor what can do, if take away your land. So, the result

that go to international court and investor to state that no one go to jail but you get money. In the last topic, in the exception or safeguards that host country do not really like free transfer. So, make some exception.

In summary, the operation to achieve the free flow of investment is done through the preparation of the comprehensive agreement, which contains provisions related to investment in many aspects. The Freer flow of capital portion is done through a combination of capital market of ASEAN members, and the capital account, which is in this section. Progress in large part will address the implementation of capital market integration. And There main purpose is to develop the ASEAN capital markets and add liquidity to move funding. The plan includes To develop standards and regulations that are relevant. The agreement to accept the joint MRA to cancel, or lenient regulations to facilitate FDI to establish linkages between capital markets.

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### **CHINESE ECONOMY & CLMV**

China is considered the largest country in Asia. Bordering countries by around 15 countries, including North Korea, Russia, Mongolia, Kazakhstan, Tajikistan, Afghanistan, Pakistan, India, Nepal, Sikkim, Bhutan, Myanmar, Laos and Vietnam. And Beijing is the capital, as well as the center of the trade economy. China is more rapid economic growth. And a driving force behind the economic powerhouse of regional and global and national development leap is watchful of all parties that this growth will be concentrated in a particular direction. Currently, all roads rushing into China which has the world's second largest economy that followed by the United States and silver reserves in the world by this success brings concern and opportunity. Especially in the areas of economy, trade and investment.

The cultural revolution is a social political movement in which happened in year 2509. People's Republic of China since Mao Zedong, which currently is the Chairman of the Communist Party of China is driving the originator. The goal statement is to force communism in the country by eliminating capitalist elements. The tradition and culture of Chinese Communist and culture to leave the flat in the party. Such a revolution, as a result, Mao Zedong back power after the leap far forward failed. The insurgents have said makes China disrupted and affect the country significant economic and social.

Market oriented economy is necessary for economic growth .And in the globalization, The world into a state without borders, and to communicate without boundaries thereof. It makes up one universal culture. And make the world see the cultural differences, the fundamentals of the social world, then another. It also makes the governing authority or the authority of the government-controlled areas had been reduced by one. This makes it seem like there is no central government. Because political power to control people's thoughts, not in the hands of

any one organization to another. But people back the freedom to seek knowledge or satisfy curiosity and sometimes even free was a violation of the rights and freedoms of others. The state was not able to control it completely.

The history of modern China, we tend to equate the opium war and the Treaty of Nanking made between Chinese and English as the starting point because it represents the influence of the Western superpower that severely affected access to China. The modern State refers to a State that has the power to rule the Central and central management control mechanisms, regional stability. These mechanisms include a Government salary system centrally. Army under the Commander of the Central and the most important is the tax collection system, pull it into the Central income. Because if the revenue from the tax-free global, it is not possible to create a government system and a powerful army. In the case of China, even though Emperor Qin Shihuang collects seven States into a unique culture. The economic success since 1978 after that it has reformed. China experienced the demographic change in labor market such as restore education after cultural revolution, one child policy or employment structure.

Trade through online media has become the most popular streams on the Chinese mainland, and reflects changes in consumer behavior. China new era clearly today are all purchases of goods and services through China's bustling E-commerce widely until China leapfrog online retail market became the largest in the world. The retail value on the Internet in China is the highest, another whole debate discourse which may payment. Internet users in China, the most widely used device in the electronic payment and is the most popular smartphones and tablets, online buyers in China often use a payment method through a mobile phone to a Third-party mobile payment as Alipay or Tencent so who hope to penetrate the Chinese market through E-commerce, it must give priority to have the option to pay by the methods above, among its customers. Of course, the key to online stores in China,

is to decide on the distribution channels through an online platform where appropriate. To increase the opportunities for branding and product release in the Chinese market. It should focus on the platform has many visitors. With the appropriate payment. Delivery service is available and there is a core group of consumers who comply with our products to bring to the market penetration of online China. Going Out strategy of the Chinese

Government Under this strategic The Chinese State to promote Chinese companies to expand business into foreign countries. With incentives from the difference in foreign exchange rates. To increase access to the market. Natural resources and technologies outside of the countries in the world. These ad hoc Bank has created the Foundation for China's fast-growing until it is 1 in 5 is the biggest investor in the world.

The development of China's new silk road under One Belt, One Road. The one path will result in the ASEAN region are close to China and much more. From China to play an important role in ASEAN, in the field of trade, investment and the changing economic landscape and the new Silk Road, this is going to change the format for the global economy which is One Belt, One Road. It is associated with the world that link policy for public utilities, trade, finance both in Asia. Countries that cooperate with China contained 5 countries. such as Myanmar, Laos, Vietnam, Cambodia including Thailand.

Although each group or local traditional individually rooted. New cultural influences and ideas that adhere to a tradition. Therefore, a decision which one may be distorted from the original plan cannot be predicted up to the behavior of people's decisions in society. In this borderless world the relationship between individuals in remote areas inevitably occurs. This is a result of the communication technologies which facilitate people in various parts of the world have the opportunity to exchange ideas. Of understanding among them and affect the cultural change as mentioned already.