



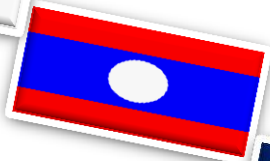
# **ASEAN Economic Community**

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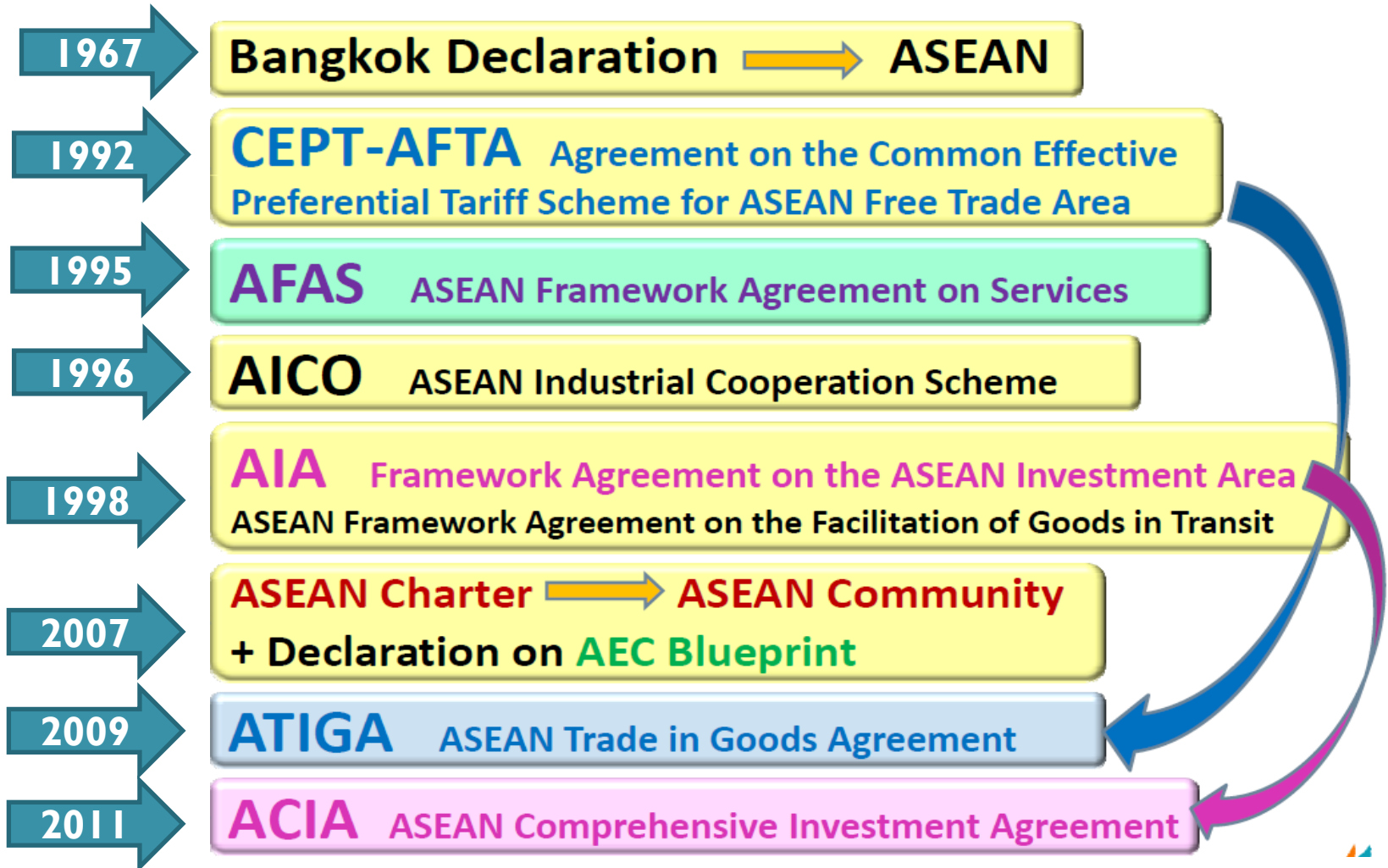
**Fiscal Policy Office, Ministry of Finance**

# ASEAN Countries

- ASEAN was first formed in 1967 with six member countries: Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand and was subsequently joined by Cambodia, Laos, Myanmar and Vietnam.



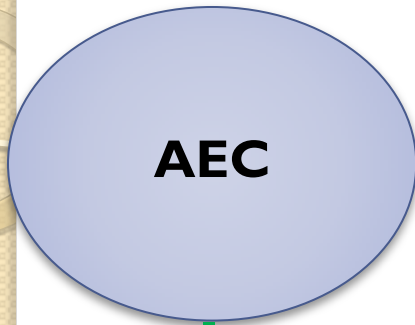
# History



# ASEAN Economic Community (AEC)

- Transform ASEAN into a region with free movement of goods, services, investment, skilled labour, and freer flow of capital
- Elimination of tariff and other trade obstacles, ease of customs
- AEC Blueprint and strategic schedule (endorsed by ASEAN Summit, 2007) set the goal of regional economic integration by December 2015

# Overview of AEC



characteristic

**Single Market and  
Production base**



**Free flow of goods  
services, investment,  
and skilled labor**

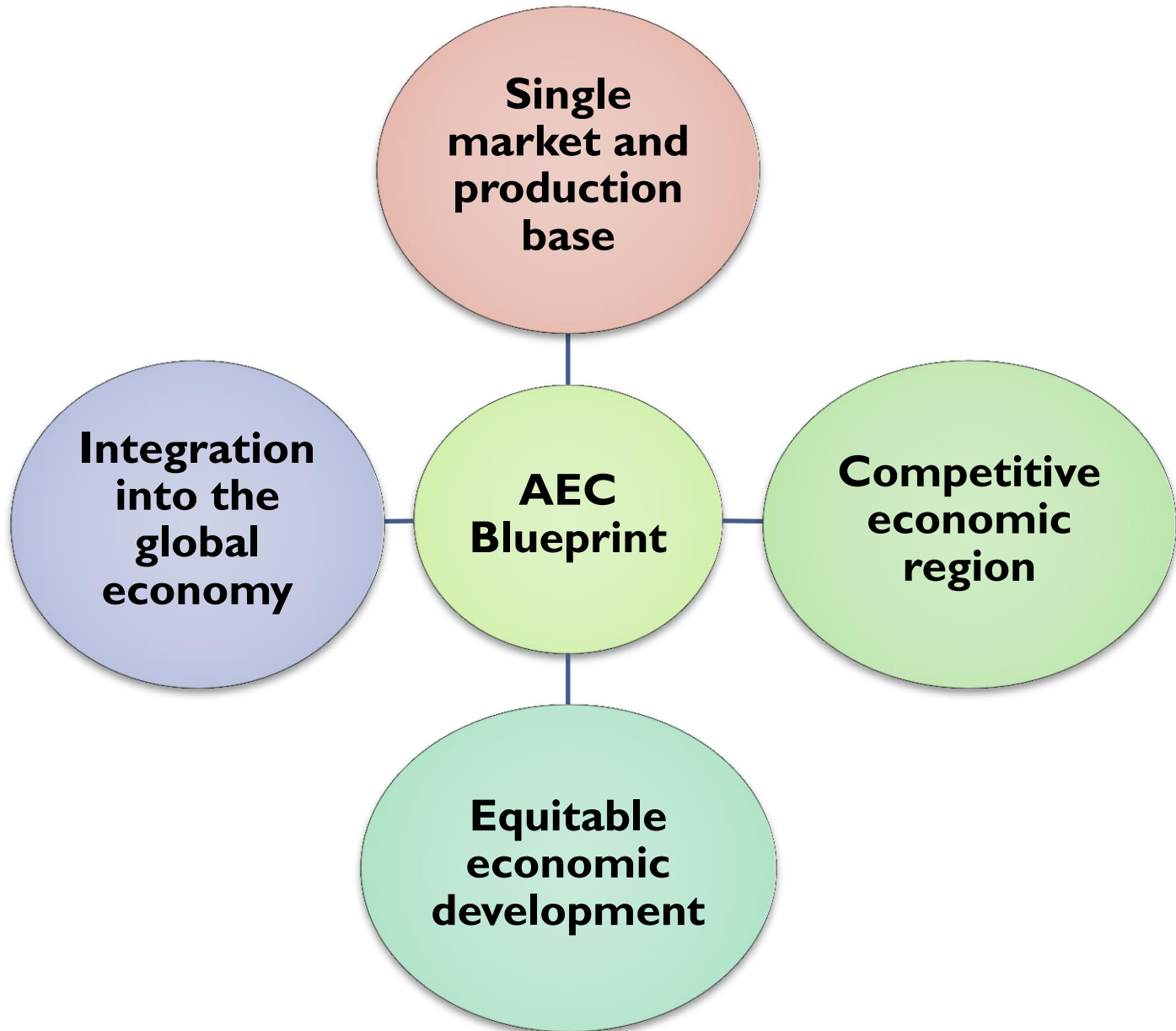
**Freer flow of capital**

objective

**To create a stable,  
prosperous and highly  
competitive ASEAN  
economic region**

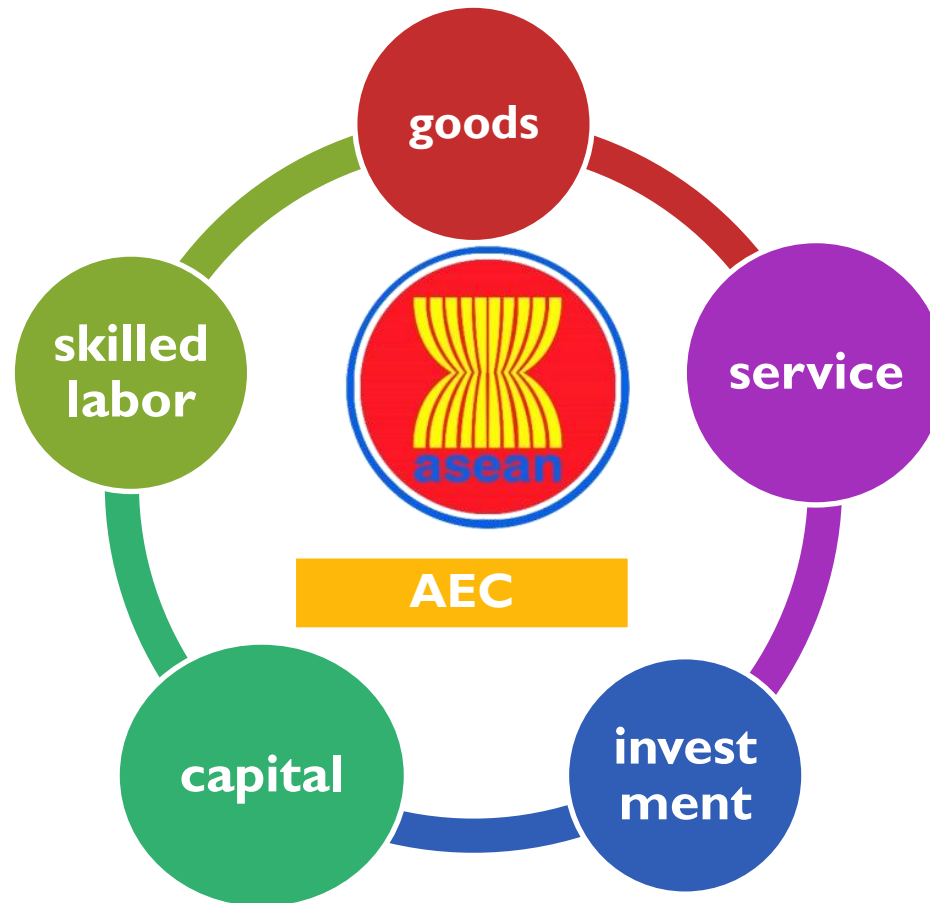


# Objectives of AEC



# Characteristics of AEC

## Single Market and Production Base



# AEC : Opening up opportunity

- create a competitive market and will open up greater opportunities for socioeconomic growth
- enhancement in :
  - trade development
  - investment liberalization
  - collaboration in regional supply chain

# Trade development

- Removal of tariff and other trade obstacles, ease of customs, AEC E-Commerce Platform, common language
- Simple, harmonized and standardized trade and customs
- Greater choice of goods and services for consumers through increases in intra-regional trade, standardization.

# Trade development

- Reduction in transaction costs in ASEAN will enhance export competitiveness – Air/Truck/Rail Link
- Lowering of production costs can be passed onto consumers who can benefit from lower prices of goods and services

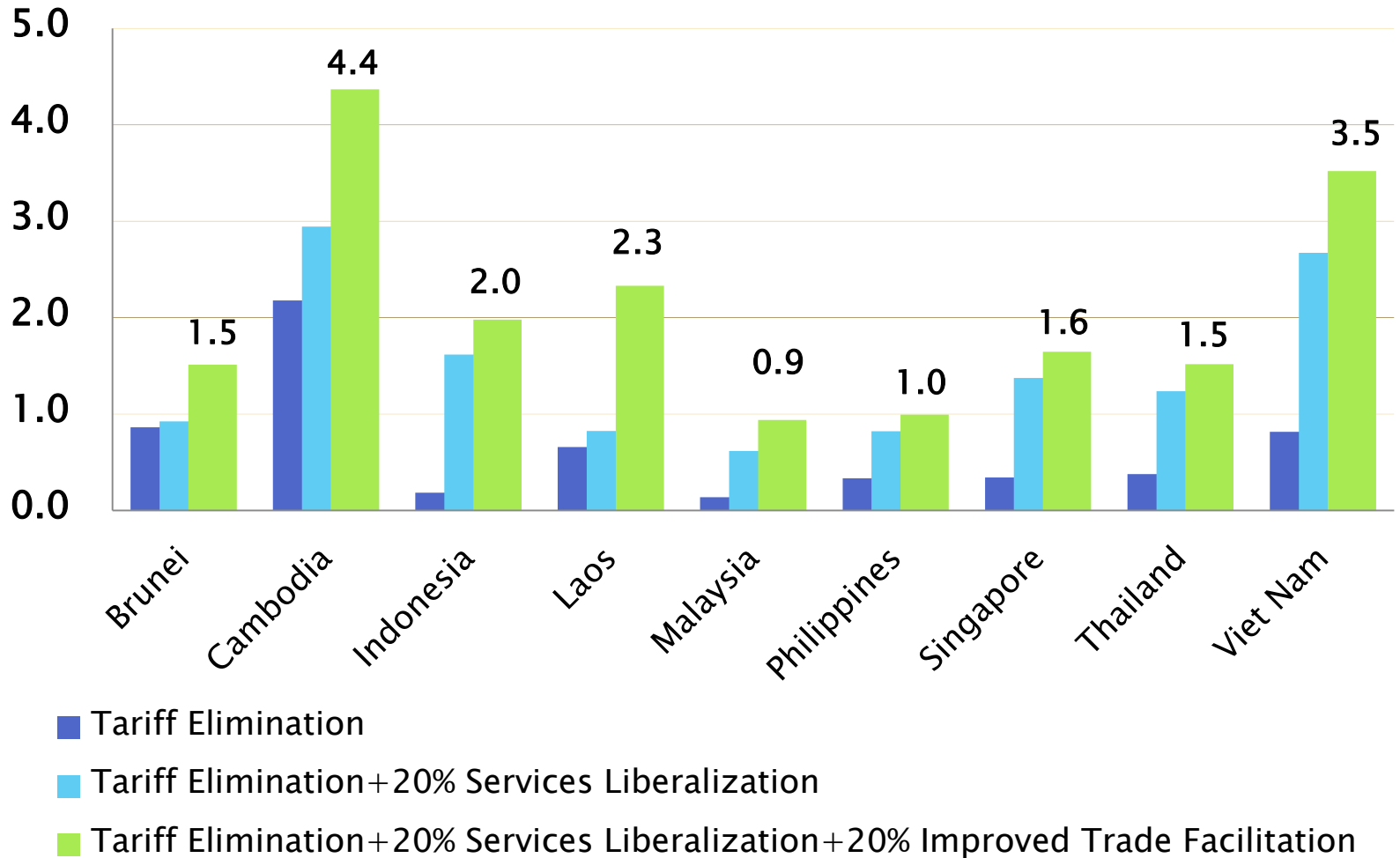
# Investment liberalization

- Free flow of goods, services, skilled labour, and capital (%)
- Facilitate trade and investment
- A more competitive market

# Collaboration in regional supply chain

- Regional integration which will improve efficiencies and competitiveness of ASEAN members – custom, immigration, seamless flow of data, mutually recognize protocol.
- Development of the region into a global production and sourcing hub
- Accelerates the infrastructure development for enhancing supply chain efficiency and access to new markets

# Potential Economic Impact of AEC



Source: ERIA

# Progress

- ASEAN members have completed more than 80% of economic blueprints needed to bring about the AEC
- Tariff of nearly 8,000 items have been cut
- Full benefits will be realized only when there is harmonization in other sectors of the economy including taxation regime, labour legislation, licensing requirement, etc.

# Business Opportunities in Thailand

## Potential Sectors

Automotive  
& Parts

Electrical &  
Electronics

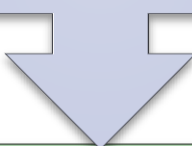
Halal Food  
Production Hub

Tourism Hub

Manufacturing &  
Assembly Hub

Machinery and  
Metalworking  
Production Base

**ASEAN economy is integrating to achieve the goal of AEC in 2015.**



**Numerous benefits are offered to businesses and investors.**

**Single market**

**Production base**



**Thailand is a Hub in many sectors for ASEAN**