



ASEAN

Challenges and Opportunities

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1. Intro

The topic today is '*how can we benefit from Asean?*'

So....





2. What are the benefits of regional cooperation?

- I. Access to more/ cheaper inputs and goods
- II. Access to larger market
- III. Movement of labor across borders/ access to skills
- IV. Access to raw materials/ seaports
- V. Border area development
- VI. Cooperation on common threat eg disease, climate change





3. Why the interest in Asean?

A. If ASEAN were a country

- i. 7th largest economy
- ii. 3rd largest pop.
- iii. First in crude palm oil and natural rubber
- iv. Second in rice production
- v. Third in natural gas and coal production





3. Why the interest in Asean?

B. Economic Factors

- i. Comparative advantage
- ii. Scale economies: mkt size, emerging middle class
- iii. Geography/ strategic location
- iv. Young/ cheap labor force for FDI





3. Why the interest in Asean?

C. ASEAN Plus Plus

- i. Asean trade agreements with partners eg CAFTA, with India, with HK...etc
- ii. Thailand Plus one strategy
- iii. China Plus one strategy





4. AEC does NOT stand alone!

- I. ASEAN ++
- II. Trade facilitation based regional cooperation eg GMS, BIMSTEC
- III. Bilateral programs eg Kaladan River, Dawei port
- IV. One Belt, One Road
- V. RCEP....16 countries including Japan, Korea, Australia





5. Divergent Views on ASEAN/AEC

A. PRO

- i. Fifty years of cooperation, huge market, 'centrality'
- ii. Tariffs have been reduced
- iii. Broad areas of cooperation eg CMI
- iv. ASEAN Single Window
- v. Huge benefits for large companies that can move capital, labor, goods around the region eg MNCs, banks, logistic companies





5. Divergent Views on ASEAN/AEC

B. CON

- i. Loss of tax revenue
- ii. Increased competition
- iii. Non binding resolutions
- iv. Slowness, aspiration vs implementation, weak Secretariat, no money, too many meetings
- v. Limited participation of private sector
- vi. Limited relevance to some sectors / countries eg SMEs, agriculture and livestock, unskilled labor
- vii. Little work on NTBs





6. Much to Think About!

I. Never mind the propaganda! What are the REAL costs and benefits of AEC for Myanmar

II. How do we maximize the benefits and minimize the costs of regional cooperation.

III. How do we use regional cooperation so that we can have 7 per cent ++ GDP growth rate for at least next 15 years

IV. How do we use AEC in combination with other regional cooperation program for which we have ALREADY signed agreements eg GMS, Kaladan etc

In short: how do we become a regionally/ globally COMPETITIVE country!??





7. Our Task Today

- I. Share our experiences and learn from you

- II. Discuss the basic elements of an action plan which will prepare Myanmar for full AEC participation

- III. We propose for discussion 40 key ideas in six areas





7. Our Task Today

IV. The ideas are based on following criteria:

- A. Requirements of Myanmar
- B. Can we do it soon: 2018-2020
- C. Practical and Pragmatic
- D. Legally bound.





Thank You

