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Summary

Conference on Realizing the AEC: A Comprehensive Assessment

July 26-27, 2008 in Bangkok, Thailand



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As ASEAN works towards the implementation of the Blueprint for an ASEAN Economic Community, there are many issues relating to the realization of the AEC that need to be considered. In order to address these questions, the East West Center and the ASEAN-US Technical Assistance and Training Facility (TATF) have undertaken a comprehensive economic assessment of the realization of the ASEAN Economic Community (hereafter, “AEC Study”). The assessment will provide (1) a comprehensive analysis of the economic benefits attendant in the creation of the AEC from a variety of perspectives; (2) offer recommendations as to how gains can be maximized and costs of adjustments mitigated; and (3) underscore the vital importance of the AEC to the future competitiveness of ASEAN.

As a benchmark of the study, the “Conference on Realizing the AEC: A Comprehensive Assessment,” brought together 25 experts from throughout the region to assess the economics of the ASEAN Economic Community in the regional and global context and consider whether the variables being addressed overall in the AEC Study, were the correct ones. These experts included researchers from the participating institutions contributing directly to the AEC Study (i.e., TDRI, MIER, CSIS, PIDS, the East-West Center, the ASEAN Secretariat, and the TATF) and other institutions (e.g., ESCAP and the ADB). Presentations of each of the chapters of the AEC Study were made; moreover, a Roundtable of distinguished experts and additional relevant presentations dealing with the future of the AEC in a global context was organized. The agenda for the Conference is attached.

The Conference emphasized that the AEC is a noble endeavor that will yield significant economic benefits to the region and, indeed, the world. Given that the AEC itself goes well beyond tariffs and tariff-related items to include non-border issues, services, investment, capital-market development, and skilled labor flows, the economic deepening of ASEAN could make the region far more competitive and attractive to multinational corporations keen on integrating ASEAN into regional value chains. The idea of delineating the likely economic effects of all of these initiatives in quantitative or, where necessary, qualitative terms, was very much appreciated by the participants, particularly since achieving the AEC will require a great deal of political will at all levels. The economic stakes need to be laid out clearly in order to underscore the potential of the AEC project.

While the preliminary chapters of the AEC Study basically concluded that the economic returns from the AEC will be large, there is no guarantee that the gains will be distributed equally, either across or within countries. Hence the AEC Study dedicates an entire chapter to “equitable economic development”, whose goal is to identify the channels of potential inequality and prescribe means to address them. The Conference suggested that, given the nature of the AEC, the most significant issues to be addressed in this type of study would be potential changes in cross-country inequality, rather than within-country effects. The latter would best be addressed by national programs.

In sum, the Conference was successful in outlining the next steps in ensuring a thorough, informative and constructive assessment. There was active discussion during all presentations and, most importantly, a great deal of input was offered to the authors. The final draft of the AEC Study is expected to be launched by the ASEAN leaders prior to the ASEAN Summit at the end of the year.

Conference

Realizing the AEC: A Comprehensive Assessment

The ASEAN-US Technical Assistance and Training Facility and the East-West Center

26-27 July, 2008, Four Seasons Hotel

Agenda

July 26

- 8:30-9:00am: Registration
- 9:00-9:15am: Opening Remarks
- 9:15-9:30: **Overview of Conference and Modus Operandi**, *Michael Plummer, The Johns Hopkins University, SAIS-Bologna (JHUBC)*.
- 9:30-10:30: **First Session: The AEC in the Context of Emerging Asian Regionalism**, *Peter Petri, Brandeis University (Chaired by Tim Buehrer, TATF)*
- Discussion
- 10:30-11:00: Coffee
- 11:00-12:15: **Second Session: A Survey of the Economics of the AEC**, *Michael Plummer, JHUBC, and Chia Siow Yue, Singapore Institute of International Affairs (SIIA)*
- Discussion
- 12:15-1:45: Lunch at Four Seasons Hotel
- 1:45-3:00: **Third Session: Regional Market for Goods, Services, and Labor Mobility in the AEC**, *Zakaria Rashid, Malaysian Institute of Economic Research (MIER)*
- Discussion
- 3:00-3:30: Coffee
- 3:30-4:45: **Fourth Session: The AEC as a Competitive Economic Region**, *Wisarn Pupphavesa, Thailand Development Research Institute (TDRI)*

Discussion

4:45-6:00: **Fifth Session: Investment and Capital Flows in the AEC**, *Josef Yap, Philippines Institute of Development Studies (PIDS)*

Discussion

July 27

9:15-10:30: **Equitable Economic Development**, *Dionisius A. Narjoko, Center for Strategic and International Studies (CSIS)*

Discussion

10:30-11:00: Coffee

11:00-12:15: **ASEAN Integration into the Global Economy**, *Peter Petri, Brandeis University*

Discussion

12:15-1:45: Lunch

1:45-3:15: **Roundtable on the Future of the AEC**, *Chaired by Chia Siow Yue, SIIA. Invited participants (TBC): Narongchai Akrasanee, Jean-Pierre Verbiest, Tiziana Bonapace*

3:15-4:30: **Conclusions and Next Steps**, *Chia Siow Yue, SIIA, and Mike Plummer, JHUBC*