



## The Association of Southeast Asian Nation (ASEAN)

### ESTABLISHMENT

The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the Founding Fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand.

Brunei Darussalam then joined on 7 January 1984, Viet Nam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999, making up what is today the ten Member States of ASEAN.

### AIMS AND PURPOSES

As set out in the ASEAN Declaration, the aims and purposes of ASEAN are:

1. To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian Nations;
2. To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
4. To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
5. To collaborate more effectively for the greater utilisation of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communications facilities and the raising of the living standards of their peoples;
6. To promote Southeast Asian studies; and
7. To maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves.



## 10 Things You Didn't Know About ASEAN

1. ASEAN will be 50 years old in two years' time. It started with five founding member countries in 1967 – Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei joined it in 1984. ASEAN's membership further expanded with Viet Nam joining in 1995, Laos and Myanmar in 1997, and Cambodia in 1999.
2. ASEAN did not have a secretariat until 1976, nine years after its creation. It is based in the Indonesian capital, Jakarta, and is headed by a Secretary-General. There are about 300 employees in the secretariat.
3. The ASEAN charter entered into force in 2008. The charter gave ASEAN, after more than 40 years of existence, a legal personality and profiled it as a rules-based organisation.
4. Each ASEAN Member State has appointed a Permanent Representative to ASEAN with the rank of Ambassador based in Jakarta. All of them collectively constitute the Committee of Permanent Representatives (CPR). The CPR is chaired by the ASEAN Member State holding the ASEAN Chairmanship. The CPR supports the work of the ASEAN Community Councils and ASEAN Sectoral Ministerial Bodies, coordinates with the ASEAN National Secretariats, liaises with the Secretary-General of ASEAN and the ASEAN Secretariat on all subjects relevant to its work and facilitates ASEAN cooperation with external partners.
5. Eighty-three non-ASEAN countries have appointed ambassadors to ASEAN.
6. ASEAN has 10 Dialogue Partners. These are Australia, Canada, China, the European Union, India, Japan, New Zealand, the Republic of Korea, Russia and the United States. ASEAN has also established a Comprehensive Partnership with the United Nations. More countries are keen to be Dialogue Partners, including from as far as Latin America and Europe.
7. If ASEAN were a single country, it would be the third largest economy in Asia and the seventh largest in the world by GDP. At current trends, it is projected to be the world's fourth largest economy by 2050.
8. The ASEAN chair – and host of annual ASEAN summits and meetings – rotates yearly among member states, going by alphabetical order. But at times, the order can differ from this pattern. For instance, this year's Chair is Malaysia, to be followed by the Lao People's Democratic Republic in 2016. This is because Lao PDR switched chairmanship slots with Myanmar, which had requested 2014. The Philippines will chair ASEAN in 2017, during its 50<sup>th</sup> Founding Anniversary.
9. The 8<sup>th</sup> of August is observed as ASEAN Day, marking the day of its creation through the ASEAN Declaration in 1967. Various activities are held to mark it at the national and regional levels.
10. ASEAN is keeping the momentum of regional integration and community-building through the next 10 years, after the launch of the ASEAN Community in December 2015. ASEAN's Vision 2025 is a bold, visionary, progressive and forward-looking document to reflect the aspirations of the next generation of ASEAN nationals. It will realise a politically integrated, socially responsible, and a truly people-oriented, people-centred and rules-based ASEAN.



## ASEAN Enters 2016 As A Community

ASEAN ushers in 2016 as a Community, bringing to fruition an integration process that creates new opportunities for its 622 million people to make use of the ASEAN Community's outward-looking character, economic robustness and shared regional identity for Southeast Asia's overall development.

The ASEAN Community was formally launched on 31 December 2015, marking ASEAN's further consolidation since its creation in 1967. "It is a day we have all been waiting for. It is a day that we – ASEAN – can be proud of," Prime Minister Najib Tun Abdul Razak of Malaysia, ASEAN Chair for 2015, said at the opening of the 27<sup>th</sup> ASEAN Summit and Related Summits on 21 November 2015.

"The realisation of the ASEAN Community has set a milestone in the integration process and will ensure lasting peace, security and resilience in an outward-looking region, with economies that are vibrant, competitive and highly integrated, and an inclusive community that is embedded with a strong sense of togetherness and common identity," ASEAN Leaders said in their Declaration on the Establishment of the ASEAN Community issued at their 27<sup>th</sup> Summit in Kuala Lumpur, Malaysia on 22 November 2015.

At the same time, it is important that the process of community-building continues in the coming years. Thus, ASEAN Leaders have committed to continued regional integration over the next decade, by adopting the Kuala Lumpur Declaration on 'ASEAN 2025: Forging Ahead Together' that sets targets to meet by 2025.

The Community's launch is the culmination of various initiatives of regional integration which have taken place over nearly five decades. It marks the completion by ASEAN Member States of the blueprints for the three Community pillars, after ASEAN Leaders in 2007 decided to move the goal of establishing the ASEAN Community to 2015 from the original target of 2020.

The ASEAN Community consists of three pillars – the Political-Security Community, Economic Community and Socio-cultural Community.

As an ASEAN political-security community, ASEAN forms a group of 10 sovereign Member States that have a common, shared stake in being internally resilient and promoting a rules-based, outward-looking region that enjoys lasting peace, security and stability. It follows the principles of the ASEAN Charter, uses consultation and consensus-building and adheres to the use of peaceful means in resolving disputes.

Despite the wide diversity of ASEAN Member States, Prime Minister Najib said they have managed to transcend these differences. "We have become a unique example of how 10 different nations can form a shared vision. Of how we are many, but we are one as ASEAN," he added.

The ASEAN Economic Community is taking shape with the free movement of goods, services, capital and skilled labour, with a view to improving the lives of ASEAN citizens. It will be a single market and production base, a highly competitive economic region and equitable economic development and one fully integrated into the global economy.



These will boost both ASEAN's intra-regional economy as well as its attractiveness to external economic partners as an investment destination and a consumer base of 622 million people. ASEAN has been a region of continued economic growth and its engines continue to hum even when growth slows in other parts of the world.

ASEAN countries have a combined GDP of US\$2.6 trillion as of 2014, and a GDP growth rate of 4.6 percent.

Within ASEAN, the Member States' implementation of measures to deepen economic integration – by simplifying rules, harmonising regulatory structures, easing the movement of goods across borders, reducing or eliminating non-tariff barriers – will further deepen intra-regional economic links.

Externally, ASEAN as a single market and production base is expected to draw more foreign direct investment, and thus help spur economic growth and create more job opportunities to help address poverty and economic inequalities.

ASEAN continues to attract robust levels of foreign direct investment, a major factor in its economic growth. Foreign direct investment inflows reached US\$136.18 billion in 2014, up from US\$95.84 billion in 2011.

The further reduction of barriers to intra-ASEAN trade over the next decade, in particular non-tariff barriers, will be a key contribution to deepening economic integration. Trade has traditionally been a major driver of economic growth in Southeast Asia, so maintaining healthy growth in trade, including through the reduction of trade barriers, is vital to the region's economic health.

Intra-ASEAN trade makes up 24.1 percent of its total trade, while extra-ASEAN trade stands at 75.9 percent.

At their November summit, ASEAN Leaders stressed that community-building must make a difference in the lives of citizens who are the beneficiaries of a people-oriented, people-centred ASEAN. This part of community-building will be the focus of ongoing initiatives such as programs to narrow the development gap within and among Member States, and to widen and deepen connectivity linkages in the region.

As the ASEAN Leaders said in their Declaration on the Establishment of ASEAN Community, ASEAN aspires to establish a Community "where our peoples continue to participate in and benefit fully from the ongoing process of ASEAN integration and community building."

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*Sources: ASEAN.org statistics, speeches and documents at the 27<sup>th</sup> ASEAN Summit, speech V Hirubalan, ASEAN briefers given by the Secretariat.*



## C is for Connectivity

In 2015, a power interconnection project linked Indonesia's West Kalimantan province and Malaysia's Sarawak state. By 2020, the Singapore-Kunming Rail Link (SKRL) will run through Singapore, Malaysia, Thailand, Cambodia, Vietnam and Myanmar.

Connections like the above are the arteries of building an ASEAN Community both in the form of hard infrastructure and 'softer' linkages through people-to-people, cultural or trade ties. They play a crucial part in strengthening and fostering ASEAN as a vibrant region for doing business, connecting its 10 Member States and their peoples.

Many of these intra-ASEAN links have been put in place under the Master Plan on ASEAN Connectivity, which ASEAN Leaders adopted as a plan of action from 2011 to 2015 for a closer and more integrated ASEAN. The Master Plan identifies three types of connectivity - through the enhanced development of physical infrastructure (physical connectivity), effective institutions, mechanisms and processes (institutional connectivity), and empowered people for expanded opportunities (people-to-people connectivity). Synergistic efforts under sub-regional arrangements such as Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) and Greater Mekong Subregion (GMS) could also play critical roles in catalyzing the building of ASEAN Community.

The physical connectivity projects cover a mix of initiatives to ease the flow of goods, services, and people in the region. These include the ASEAN Highway Network, 47 designated maritime ports, an ASEAN Broadband Corridor and ASEAN Power Grid, flagship infrastructure projects that seek to bring connectivity across borders and bring benefits such as improved competitiveness of regional production networks, better trade, services, investment flows and reductions in development gaps.

Three transport facilitation agreements also contribute to physical connectivity – the ASEAN framework agreements on the facilitation of goods in transit, facilitation on inter-state transport, and on multimodal transport – aim to reduce costs and boost the movement of vehicles, goods, services across borders. For example, Lao PDR and Vietnam had officially launched a single-stop inspection system at the Lao Bao-Dansavanh border checkpoint in 2015 to facilitate trade between the two countries and along the East-West Economic Corridor.

ASEAN Member States are making it easier to move goods at, within and across national borders, including through each Member State's National Single Window. By early 2016, the ASEAN Single Window will be implemented among exchange-ready Member States. ASEAN is also pursuing an ASEAN Single Aviation Market and an ASEAN Single Shipping Market as part of realising its goals of becoming a single market and production base, and to further open up progressively to investments from within and beyond the region.

Institutional connectivity measures include those that facilitate trade, such as the ASEAN Trade Repository and National Trade Repositories. ASEAN also continues to address non-tariff barriers to boost intra-ASEAN trade and investment and to harmonise standards and conformity assessment procedures across Member States.



Improving connections that make ASEAN a people-oriented and people-centered community includes initiatives and opportunities that bring its people together on a cultural and individual level, allowing them to get to know one another better. These range from initiatives that promote greater mobility through the progressive relaxation of visa requirements, the multilateral agreement on the liberalisation of air services, as well as mutual recognition arrangements, to educational initiatives like student exchanges, the ASEAN International Mobility of Students Program, and ASEAN studies courses that focus on forging an ASEAN regional identity. For instance, ASEAN Member States are promoting the use of the Curriculum Sourcebook for primary and secondary schools to complement their existing supplementary materials on ASEAN.

ASEAN has now embarked on the journey to formulate the Post-2015 Agenda for ASEAN Connectivity. It will analyse and address, among others, resource mobilisation, including new financing vehicles; and the strengthening of institutional mechanisms, including the alignment and coordination of stakeholders as well as engaging businesses, non-government organisations and civil society.

Overall, physical, institutional and people-to-people connectivity will promote economic growth, narrow the development gap, enhance regional competitiveness and promote deeper ties among ASEAN peoples and between ASEAN and the rest of the world. Strong and vibrant connectivity is essential to ASEAN's drive towards becoming a more competitive and resilient region that is firmly integrated in the global economy.

## The Long Journey to Economic Integration

The ASEAN Economic Community gets a lot of mention these days, but ASEAN's journey of economic integration has actually been underway for over decades.

The economic linkages that bind ASEAN together have taken root through different channels over time. This includes different ASEAN countries sharing complementary roles in manufacturing, the improved ease in moving products across borders, and other mechanisms that facilitate the smoother flow of goods, services and capital, and skilled labour across the region.

This contributes towards the narrative on ASEAN being one of the most dynamic regions in the world, and a key contributor to world economic growth. Economic integration – and the doors of opportunity it opens – has brought concrete financial and economic benefits to hundreds of millions of people in ASEAN.

If it were a single country, ASEAN would be the seventh largest economy in the world and the third largest in Asia. From 2007 to 2014, its combined GDP nearly doubled to 2.57 trillion US dollars.

Tariffs among ASEAN countries stand at nearly zero today, bringing down the price of goods and increasing choice for consumers. ASEAN has also become a world class investment destination attracting 136 billion US dollars in foreign direct investment in 2014, thus creating more economic and employment opportunities for its population.

Looking ahead, the further liberalisation and integration of ASEAN's economies after the



launch of the ASEAN Economic Community in December 2015 is expected to bring more benefits for the region. Collectively ASEAN is projected to become the world's 4<sup>th</sup> largest economy by 2050.

Formally established on 31 December 2015, the ASEAN Economic Community (AEC) is a major milestone in the ongoing regional economic integration agenda of ASEAN. Adopted by the ASEAN Leaders in November 2007, the AEC Blueprint (2008-2015) has helped chart the region's journey towards the formal establishment of the AEC, characterized by: (a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development, and (d) a region fully integrated into the global economy.

As an integrated community, ASEAN aims to be a region where there are simplified rules, lower tariffs and harmonised standards and closer regulatory cooperation, greater transparency and a talented, well-educated pool of workers and a large, vibrant consumer base.

The story of ASEAN's economic cooperation and integration spans more than four decades, its foundation having been planted through the seventies and picking up pace in the nineties.

As early as 1977, ASEAN put in place the ASEAN Preferential Trade Agreement. The steps toward deeper economic integration quickened with the Framework Agreement on Enhancing ASEAN Economic Cooperation, which covered areas ranging from trade, industry, minerals and energy; finance and banking; food, agriculture, and forestry; transport and communications.

This led to other ASEAN trade accords, including the 1992 ASEAN Free Trade Area (AFTA) that is largely responsible for tariff reductions within the region. AFTA aimed to boost ASEAN's competitive edge as a production base through the elimination of tariffs and non-tariff barriers, and through the attraction of more foreign direct investment into the region. Other agreements that pushed economic integration range from the ASEAN Framework Agreement on Services in 1995, the ASEAN Trade in Goods Agreement in 2010 which consolidates ASEAN commitments and initiatives on trade in goods, and the ASEAN Comprehensive Investment Agreement in 2012.

By 2003, ASEAN Leaders declared the formation of the ASEAN Economic Community as the goal of regional economic integration within the ASEAN Community.

In 2007, they adopted the Blueprint that served as the master plan guiding the establishment of the ASEAN Economic Community in 2015, a completion date that had been moved up from 2020.

As at end-October 2015, the ASEAN Economic Community Scorecard, which tracks the progress of the measures in the Blueprint, showed that ASEAN had implemented 92.7% or 469 out of 506 measures they committed to undertake. In terms of the four areas of integration under the Economic Community, Member States had fulfilled 100% of the measures relating to equitable economic development and ASEAN's integration into the global economy. The remaining key measures will be prioritised for implementation by end-2016.

At the same time, ASEAN Leaders have acknowledged the need to continue working on regional economic integration.

In the area of trade liberalisation, ASEAN Member States will need to continue working on



reducing non-tariff barriers, which Malaysian Prime Minister Najib Tun Abdul Razak said remain “too extensive” and hinder free and open trade across ASEAN economies.

ASEAN Leaders have also committed to ensuring that the continued integration process is inclusive, and also serves to narrow the development gap among and within ASEAN Member States.

These considerations are also why ASEAN’s newer members – Cambodia, Lao PDR, Myanmar and Vietnam – have until 2018 to fully adopt the ASEAN Economic Community’s tariff liberalisation commitments. While regional integration efforts are underway, ASEAN has also put in place other frameworks to narrow the development gap such as the Initiative for ASEAN Integration.

## FAQs: The ASEAN Community

### 1 How would you describe the ASEAN Community in brief?

The ASEAN Community will bring the 10 Member States of ASEAN even closer together, as we will be bound by the shared vision of a durable, peaceful, stable and prosperous region. Community-building has three pillars - in the political-security, economic and socio-cultural areas. The establishment of a Community is a significant milestone in ASEAN’s continued evolution as an organisation with a common regional identity, one that is home to some 620 million people aspiring for ‘One Vision, One Identity, One Community’.

### 2 The Community is in place on Dec. 31, 2015. What changes can we expect in the new year?

ASEAN Community-building is an ongoing process, not an overnight transformation. To prepare for its launch, ASEAN Member States have undertaken initiatives under the three ASEAN Community blueprints, aimed at deepening and widening integration. ASEAN Leaders have also adopted the ‘ASEAN Community Vision 2025’ which charts our continued integration and consolidation over the next 10 years.

### 3 How will the ASEAN Community affect my everyday life?

The primary goal of regional integration through the ASEAN Community is to improve the lives of ASEAN’s citizens. The 2015 Kuala Lumpur Declaration on The Establishment of The ASEAN Community, issued by ASEAN Leaders at the 27<sup>th</sup> ASEAN Summit in November 2015, speaks of their aspiration to establish “a truly rules-based, people-oriented, people-centred Community where our peoples continue to participate in and benefit fully from the ongoing process of ASEAN integration and community-building.”

For an ASEAN citizen, the Community will offer opportunities such as a bigger, more open and rules-based market for business, more trade, and increased people-to people interaction through commerce, travel and education, among others.

### 4 Will I be able to travel freely in the region or work in another ASEAN country?





Various agreements and initiatives within ASEAN have eased travel among ASEAN nationals' countries, and more are underway.

In the area of employment, the Mutual Recognition Arrangements within ASEAN Community provide for the freer movement of skilled professionals – engineers, nurses, architects, land surveyors, medical doctors and dentists, accountants, and tourism professionals.

### **5 Some ASEAN members have differences with each other. How will the ASEAN Community help in these?**

Like in any family, ASEAN Member States may have differing views on a range of issues, and a number have pending border issues. ASEAN Member States are committed to the ASEAN Charter as their guiding principle, which includes resolving any disputes through peaceful means. Among others, the 'ASEAN Way' is about Community and consensus-building, non-violence over confrontation, moderation over extremism, and a peaceful settlement of disputes.

ASEAN has a number of agreements for promoting regional peace, cooperation and solidarity. This includes the 1971 Declaration on the Zone of Peace, Freedom and Neutrality, the 1976 Treaty of Amity and Cooperation and the 2004 Protocol for Enhanced Dispute Settlement Mechanism for resolving economic-related disputes. The ASEAN Declaration on the South China Sea (1992) and the Declaration on the Conduct of Parties in the South China Sea (2002) also play a key role in maintaining peace, security and stability in the South China Sea. A third example of how ASEAN manages cross-border challenges is the ASEAN Agreement on Transboundary Haze Pollution.

### **...And On to ASEAN 2025**

ASEAN has just launched the ASEAN Community, but has already put in place the path to ensure that the momentum of the integration process continues over the next 10 years.

ASEAN Leaders declared the formal establishment of the ASEAN Community on 31 December 2015 at their 27<sup>th</sup> Summit in Kuala Lumpur in November. But they also put in place the next phase of its consolidation, further integration and stronger cohesiveness.

Through the ASEAN Leaders' Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together, ASEAN Member States resolved to implement their vision of ASEAN 2025 in a timely and effective manner to push forward their desire and collective will to live in a region of lasting peace, security and stability, sustained economic growth, shared prosperity and social progress, as well as promote ASEAN interests, ideals and aspirations.

The outcome of a year of planning and intense discussions, 'ASEAN 2025: Forging Ahead Together' is a forward-looking roadmap that articulates their vision of ASEAN 10 years from now – one that is "politically cohesive, economically integrated, and socially responsible" and a consolidated community across its three pillars - political-security, economic and socio-cultural.

In sum, ASEAN 2025 reaffirms the commitment towards the continuation and consolidation of ASEAN Community-building.



ASEAN Leaders have adopted the specific Blueprints for ASEAN Community Vision 2025 in the three pillars. These have action lines/strategic measures that seek to complete, within a specific and limited timeframe, key measures. Community-building over the next decade will build on the experiences and expertise acquired in the preceding 10 years to tackle new challenges, harness new technologies and ensure opportunities for all.

Through the ASEAN Community building process, ASEAN demonstrates to its partners and the world that it is determined to maintain ASEAN's role in dealing with challenges that affect peace, security and stability in the region.

The broad goals of ASEAN 2025 include putting more emphasis on the peoples of ASEAN and their well-being; the increased awareness of ASEAN; more engagement with the peoples of ASEAN Member States; commitment to fundamental freedoms, human rights and better lives; strengthened capacity to deal with challenges while maintaining ASEAN centrality; remaining an outward-looking and global player; implementing the ASEAN agenda while pursuing national aspirations that contribute to ASEAN Community-building; and strengthening ASEAN organs and the ASEAN Secretariat.

ASEAN 2025 lays out a vision of an interlinked, thriving community not only for ASEAN peoples, but for ASEAN's partners.

For ASEAN peoples, ASEAN 2025 means that they will continue to live in a more united, secure, peaceful and cohesive region; enjoy the protection of

**aeec**  
**ASEAN ECONOMIC COMMUNITY**

**one vision  
one identity  
one community**

