Strategic Partnership in Regional Market

Experience of ASEAN

by

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Evolution of Regional Cooperation

• Establishment of AFTA – the 4th ASEAN Summit, Singapore, January 1992
  - Promote inter ASEAN trade
  - ASEAN as competitive and efficient investment destination
  - Regional market of over 500 millions

• Common Effective Preferential Tariff (CEPT)
  - Reduce Intra ASEAN Tariff to 0-5% in 10 year from 1992

• ASEAN Industrial Cooperation Scheme (AICO)
Evolution of Regional Cooperation

- In 2001, agreed to advance zero tariff target by 2010 for the first six and by 2015 for the rest of four.
- ASEAN-China Summit 2001: Establishment of ASEAN-China FTA in 10 years.
- ASEAN Economic Community (AEC – ASEAN Summit 2003) by 2020 which later advanced to 2010 for the first six and 2020 for the rest of four.
- ANZ, ASEAN-India, ASEAN-USA, ASEAN-Japan, FTAs (along with individual ASEAN member countries with other ASEAN member countries and non ASEAN) 
  - *Incorporate minimum two companies of two ASEAN member countries to share and pool resources to enjoy 0-5% tariff.*
Government support

- Intensive participation of various Ministries, Chamber of Commerce and Trade & Sectoral Associations
- Bilateral Counter Trade Agreement and Banking Payment Arrangement
- Support means and instruments
  - Export Promotion Agencies
  - Export Financing and Regional Swap Agreement (Chiang Mai)
  - Infrastructure (Asian/ASEAN Road Links, Industrial Estates, ASEAN Energy Cooperation, Telecommunication Links, Airports & Harbours)
Lessons learned

• Disparities amid growth
• Loosers and winners
• National champions
• Adjustment needed
Recommendations for fair trade

• Introduction of Competition Law & Policy in each economy
• Need to have Competition Policy in FTAs/RTAs
• Need to have Regional Competition Rules & Agency