



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
- Losers 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