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13th ASEAN Summit
18 – 22 November 2007
Shangri-La, Singapore

13TH ASEAN SUMMIT PRESS STATEMENT

BLUEPRINT FOR THE ASEAN ECONOMIC COMMUNITY (AEC)

Leaders of the ASEAN Member Countries today signed a Declaration on the AEC Blueprint at the 13th ASEAN Summit held in Singapore.

What is the AEC Blueprint?

2 The AEC Blueprint is a master plan that guides ASEAN towards achieving an AEC by 2015 by clearly identifying economic integration measures and detailing commitments, targets and timelines for their implementation.

3 The end-goal of the AEC 2015 is the realisation of a single market and production base, in which there is a free flow of goods, services, investments and skilled labour, and a freer flow of capital, with equitable economic development and reduced poverty and socio-economic disparities.

4 In the AEC Blueprint, this is translated into four key pillars - (i) a single market and production base; (ii) a highly competitive economic region; (iii) a region of equitable economic development; and (iv) a region fully integrated into the global economy. Under each pillar are economic measures to further ASEAN's goal towards an AEC.

5 A Strategic Schedule accompanies the Blueprint mapping out the timelines for the implementation of the measures. A scorecard mechanism will be developed by economic officials to monitor, review and assess the implementation of the Blueprint's measures, for ensuring compliance to commitments.

6 Going forward, implementation of the Blueprint will be the main focus of ASEAN's economic agenda. However, even as ASEAN races towards economic integration, safeguards will be in place to ensure that ASEAN Member Countries are not left behind. Thus an integral component of the AEC Blueprint will be initiatives on narrowing the development gap to ensure equitable economic development.

How will the Blueprint work?

7 The rollout of the AEC Blueprint will be based on staggered timelines. Targets for 2009 will cover prioritised actions to be implemented in the very short term. By 2011, other measures already identified in various existing Plans of Action at ASEAN and national levels to give effect to previous commitments are expected to be realised. For the final phase, between 2012 to 2015, relevant sectoral bodies and stakeholders could come forward with necessary proposals of what can be further achieved to realise the vision of the AEC Blueprint.

8 The establishment of the AEC requires adherence to a rules-based system for effective compliance of economic commitments, so the AEC Scorecard mechanism will serve to review and assess the progress of implementation.

Key elements of the Blueprint – The Four Pillars

9 ASEAN's current focus is on the first pillar of the Blueprint, which entails liberalisation of trade in goods, services and investments in the region.

10 On goods, through the ASEAN Free Trade Area Common Effective Preferential Tariff Scheme (AFTA CEPT), ASEAN has already achieved significant progress in the removal of tariffs. As such, the Blueprint's measures are focused on trade facilitation aspects of trade in goods, such as the transparency of non-tariff measures, the elimination of non-tariff barriers, improved customs systems, and an enhanced AFTA CEPT Agreement into a comprehensive ASEAN Trade in Goods Agreement to remain relevant to today's business processes and climate.



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11 Given the growing importance of trade-in-services in ASEAN, the Blueprint details measures to remove substantially all restrictions to trade in services by 2015. This will include the removal of market access restrictions, the removal of measures discriminating between local and foreign investors and services suppliers, and the increase in foreign equity participation. What this means is an increased or facilitated market access of our companies looking to venture into other ASEAN Member Countries.

12 For investments, a key initiative is to enhance the existing Framework Agreement on the ASEAN Investment Area (AIA) into a more complete ASEAN Comprehensive Investment Agreement, or ACIA, in order to cover all elements: liberalisation, protection, facilitation and promotion. The enhanced agreement will also mean an expanded coverage of ASEAN-based investors, and not just ASEAN-owned companies.

13 Besides further strengthening the core first pillar initiatives, efforts will be directed towards building the second pillar. These are newer areas for ASEAN, such as competition policy, taxation, infrastructure development, e-commerce and Intellectual Property Rights (IPR). Notwithstanding ASEAN's unfamiliarity with these areas, they are nonetheless essential to ASEAN's economic progress.

14 The measures in the third and fourth pillars are on-going ones for equitable economic development and integration of ASEAN into the global economy. They include enhancing the pace of SME development, capacity building and technical assistance for the lesser developed countries, while ensuring adoption of international best practices.

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