

Foreword

The study, entitled 'The Use of FTAs in ASEAN: Survey-based Analysis' is one of the flagship reports of the Economic Research Institute of ASEAN and East Asia. Based on a study of firms conducted between April and August 2013, this study provides insights on the use of free trade agreements (FTAs) across ASEAN countries, the constraints on the use of FTAs, and how to overcome these constraints to improve the use of FTAs in ASEAN.

By August 2015, the 16 countries of East Asia had 66 FTAs in effect out of 126 FTAs around the globe. While Asian countries have been very active in engaging FTAs, early studies largely conducted between 2008 and 2011 assert that the historic use of FTAs in this region was relatively low.

The main value added of this study is twofold. First, this study's survey took place in 2013, three years after the ASEAN+1 FTA came into effect in January 2010; this allows this study to detail the use of the ASEAN Free Trade Area (AFTA) and the other five ASEAN+1 FTAs: ASEAN–China, ASEAN–India, ASEAN–Japan, ASEAN–Korea, and ASEAN–Australia and New Zealand FTAs. Second, this study covers the use of FTAs in the manufacturing and services sectors. It also explains how export and import intensity affects the use of FTAs differently.

This study would not have been possible without our strong collaboration with the ASEAN Business Advisory Council both in organising the surveys and focus group discussions and in disseminating the findings to ASEAN Leaders. Our appreciation likewise goes to all country team leaders of the study and their survey staff who put their best efforts to get detailed findings. The ASEAN and country reports were edited by leading trade economists, Lili Yan Ing and Shujiro Urata. The survey was prepared by a core team composed of Ikumo Isono and Yoshifumi Fukunaga, led by Lili Yan Ing.

For policymakers, business associations, labour unions, non-government organisations, and academia, this report will be an important resource complement on the use of FTAs, which is based on customs data.

We hope that the study can provide firm findings on the overall use of FTAs in ASEAN, not only AFTA but also ASEAN+1 FTAs, and insights on overcoming the constraints in using FTAs to improve overall trade in goods and services in ASEAN.

Jakarta, August 2015

A handwritten signature in black ink, appearing to read 'H. Nishimura', with a stylized, cursive script.

Professor Hidetoshi Nishimura

President

Economic Research Institute for ASEAN and East Asia