

Part I

ASEAN Present and Future Global and Regional Developments

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ASEAN Present and Future Global and Regional Developments

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I. ASEAN: Remarkable Achievement; Considerable Expectations

Remarkable Achievement

At the closing of the Meeting of the Heads of Government on 24 February 1976 in Bali, Indonesia (effectively, the first Association of Southeast Asian Nations (ASEAN) Summit), then Prime Minister Lee Kuan Yew of Singapore stated:

'Up till yesterday, a favorite question posed by ASEAN watchers was: 'Has ASEAN a future?' When our officials follow up on the agreements we have reached at this meeting, their question will now be: 'what kind of future is it to be for ASEAN?'' (ASEC, 10 Years ASEAN, 1978: 141, reprinted in Pitsuwan et al., 2017: inside flyleaf).

The above-mentioned question on the kind of future for ASEAN is answered by the transformation of the ASEAN region over its first half century, which has been truly remarkable:

- From conflicts and mutual suspicion among ASEAN member states (AMS) during its beginning in the 1960s to being at the centre of regional security arrangements for peace in the Asia-Pacific at present;
- From gingerly preferential tariff arrangements (PTAs) in the 1970s to being at the centre of regional economic integration initiatives in East Asia and the closest example of open regionalism in the world at present; and
- From barely knowing one another to an emerging ASEAN identity and incipient ASEAN community.

Political leadership was a critical driving force for this remarkable achievement. At the outset, the ASEAN founding foreign ministers were deeply driven to engender peace and stability in Southeast Asia, the sine qua non of any integration or community building initiative. The distributed leadership among the heads of state of the AMS provided the needed drive, foresight, stature, initiative, and passion to move ASEAN forward at crucial junctures of its development. Thus, arguably, President Suharto's desire to have friendly relations with Indonesia's neighbours as he revived Indonesia from the political and economic chaos of the mid-1960s facilitated the establishment of ASEAN. Similarly, the stature of Prime Minister Anand Panyarachun of Thailand, with support from Prime Minister Goh Chok Tong of Singapore, enabled a Leaders' consensus in 1991 towards the establishment of the ASEAN Free Trade Area (AFTA). Prime Minister Goh Chok Tong also started the conversation among ASEAN Leaders in 2002 towards the establishment of an ASEAN Economic Community (AEC). Prime Minister Mahathir Mohamad was passionate about ASEAN, and it was during Malaysia's hosting of the ASEAN informal summit in 1997 that the ASEAN Vision 2020 was adopted – setting out the vision for deeper integration beyond AFTA.¹

External developments also provided crucial impetus for the development of ASEAN. The fear that the still fragile AMS would be engulfed and torn asunder by communism amid China's cultural revolution and the Soviet Union's expansionism provided the fundamental animus to the creation

¹ Pitsuwan et al. (2017) provides some fascinating articles by ASEAN leaders and officials who have played significant roles in the development of ASEAN. The volume also includes background papers on the evolution of ASEAN during its first 50 years.

of ASEAN. The Plaza Accord of 1985 and the concomitant flow of export-oriented foreign direct investment (FDI) to Indonesia, together with the liberalisation reforms that Indonesia undertook as a result of the fall in world oil prices, led to a shift towards export orientation in Indonesia in the latter 1980s. Similarly, concerns over a possible ‘Fortress Europe’² and the impending North American Free Trade Agreement (NAFTA) moved AMS to step up regional integration initiatives from preferential tariff arrangements (PTA) to AFTA. Additionally, concern over the loss of investment attractiveness of ASEAN to China led AMS to move towards the establishment of an AEC.

The decision to establish an AEC was also prompted by the favourable review of the performance of AMS on their implementation of AFTA commitments, i.e. the AMS implemented their tariff liberalisation faster than what was programmed under AFTA. In effect, it is the interplay of leadership, pressures from external development, and favourable implementation performance that, at least in the later years, provided the positive dynamic forward for ASEAN. Finally, ASEAN’s Dialogue Partners³ have provided critically important support to ASEAN over the years of ASEAN development and evolution.

The ASEAN region is arguably the most successful developing economy region during the past four decades. McKinsey calls ASEAN the region of (growth) outperformers (Das et al., 2018: 4 (Exhibit 1)):⁴

- Indonesia, Malaysia, Singapore, and Thailand are long-term outperformers with per capita gross domestic product (GDP) growth outpacing the United States (US) consistently during 1965–2016 at a compound growth rate of at least 3.5% per year. The other three in the list are China, Hong Kong, and the Republic of Korea.

² ‘Fortress Europe’ describes a situation where European markets are much more difficult to access by exporters from ASEAN because of higher tariffs and/or non-tariff barriers.

³ The more significant ASEAN dialogue partners in terms of support to the region include Japan, China, the European Union (and formerly, European Economic Community), United States, and Australia–New Zealand.

⁴ Brunei Darussalam was excluded because its population is less than the 5 million population criterion for inclusion in the analysis. The total number of countries included is 91.

- Cambodia, the Lao People’s Democratic Republic (Lao PDR), Myanmar, and Viet Nam (CLMV) are recent outperformers that outpaced US per capita GDP growth consistently during 1995–2016, with a per capita compound growth rate of at least 5.0% per year. Six other countries are on the list, including India, Ethiopia, and Central Asian countries like Kazakhstan.
- The Philippines is a very recent accelerator with a per capita GDP growth rate of more than 13.5% per year during 2006–2016. Eight other countries belong to this group including Bangladesh, Peru, Poland, and Sri Lanka.

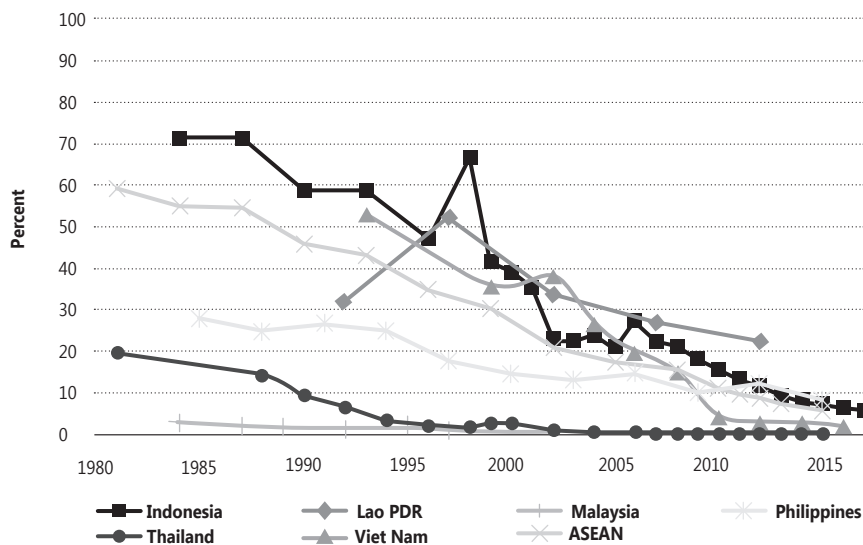
Underpinning such remarkable growth performance of virtually all AMS are high investment (and savings) rates⁵ and very robust FDI flows. Tables A1–A5 provide a quantitative picture of the remarkable economic performance of AMS over the past few decades.⁶ The very high growth rates of the CLMV countries from the mid-1990s to the present (2019) and the sharp uptick in the growth of the Philippines since 2010 are noteworthy. Gross capital formation as a ratio of GDP is robust in most AMS, with ratios rising significantly since 2010 in Cambodia, Myanmar, and the Philippines. ASEAN includes super savers in Brunei Darussalam and Singapore; high savers in Indonesia, Malaysia, Myanmar, and Thailand; and modest but rising savers in Cambodia, the Lao PDR, and the Philippines. Foreign direct investment inflows as a ratio of gross fixed capital formation and GDP in most AMS are higher than in China and India, most notably in CLMV countries and Singapore. ASEAN vies with China as the most preferred FDI destination in the developing world. Most AMS have also been trade oriented: six AMS had trade to GDP ratios of more than 100 during the past decade. Total factor productivity also contributed modestly to the robust growth performance of most AMS.

⁵ Cambodia, the Lao PDR, and the Philippines have substantially lower saving rates than the rest of the AMS.

⁶ See also, for example, Intal et al. (2014), Chapter 1; Intal and Chen (2017) Chapters 1, 2, and 3; and Das et al. (2018) for in-depth discussion of the remarkable economic progress in ASEAN.

The remarkable growth performance of AMS has translated to the near elimination of dire poverty and marked reduction in the overall poverty rate over the years in the region. Health and education outcomes have also improved substantially. Figure 1 shows the dramatic long-term decline in poverty rates in many AMS since the 1990s, most notably in Viet Nam. Improvements in the Human Development Index since 1990 (see Table 1) provide a snapshot of the improvement in education, income, and life expectancy (health) of the ASEAN peoples as these are the elements of the Human Development Index.

Figure 1: Headcount Poverty Rates*
(% of population)



ASEAN = Association of Southeast Asian Nations, Lao PDR = Lao People's Democratic Republic.

* At \$1.90 per day per capita at 2011 purchasing power parity.

Note: Malaysia is using income data; the rest are consumption data; ASEAN data is aggregated from Indonesia, the Lao PDR, the Philippines, Thailand, and Viet Nam data.

Source: World Bank, PovcalNet (2018), Poverty Head Count (% population) [Data file]. <http://iresearch.worldbank.org/PovcalNet/index.htm> (accessed 24 November 2018).

Table 1: ASEAN, China, and India Human Development Index, 1990–2017

	1990	2000	2010	2012	2017
Brunei Darussalam	0.782	0.819	0.842	0.852	0.853
Cambodia	0.364	0.420	0.537	0.553	0.582
Indonesia	0.528	0.606	0.661	0.675	0.694
Lao PDR	0.400	0.466	0.546	0.569	0.601
Malaysia	0.643	0.725	0.772	0.781	0.802
Myanmar	0.358	0.431	0.530	0.549	0.578
Philippines	0.586	0.624	0.665	0.677	0.699
Singapore	0.718	0.819	0.909	0.920	0.932
Thailand	0.574	0.649	0.724	0.731	0.755
Viet Nam	0.475	0.579	0.654	0.670	0.694
China	0.502	0.594	0.706	0.722	0.752
India	0.427	0.493	0.581	0.600	0.640

ASEAN = Association of Southeast Asian Nations, Lao PDR = Lao People's Democratic Republic.

Source: United Nations Development Programme, Human Development Report (2018), Human Development Index (HDI) [Data file]. <http://www.hdr.undp.org/en/indicators/137506> (accessed 25 November 2018).

A review of the policy developments and economic performance of AMS suggests that ASEAN has been a co-driver together with the World Trade Organization of significant policy reforms in many AMS, especially the newer AMS (see Intal and Chen, 2017). The implementation performance of the ASEAN Economic Community Blueprint, 2009–2015 (ASEAN Secretariat, 2008) measures is also noteworthy, even if a significant gap remains between the actual and the 'ideal' of an ASEAN single market or what were targeted. Tariffs on intra-regional trade in goods have virtually been eliminated. Major trade facilitation measures are well under way – the ASEAN Single Window should be in live operation by January 2019 among five AMS and at least three more AMS are expected to join soon after, the National Trade Repositories are being set up and populated with the information requirements set out in the ASEAN Trade in Goods Agreement (ATIGA), and the self-certification schemes have gone past the pilot stage towards the implementation stage. ASEAN services liberalisation commitments have been World Trade Organization General Agreement on Trade in Services (GATS) Plus, albeit with still a significant percentage in the flexibility clause. Similarly, investment liberalisation has deepened under the ASEAN Comprehensive Investment

Agreement (ACIA). MRAs have been signed on professional services as well as priority goods sectors, although the implementation leaves much to be desired. There has been a wide range of cooperation initiatives on many economic sectors (especially agriculture, forestry, and fisheries as well as finance and transport) and a number of critical economic issues such as competition policy and intellectual property rights. The explosion of ASEAN-related meetings since the early 2000s is a reflection of the expansion in the coverage and depth of cooperation among AMS under the ASEAN umbrella.

The remarkable achievements of ASEAN are not only in the political-security and economic arenas; there is also considerable achievement in the social development and cultural arena. Covering more than 20 sectors, the ASEAN Socio-Cultural Community (ASCC) has seen a rich and diverse range of initiatives involving a widening network of experts, non-state actors like non-governmental organisations, government officials, and ASEAN's dialogue partners. An example of the outcomes of the ASCC is the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) and the consequent establishment of the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre). ASEAN's regional cooperation in disaster management has enabled the region to take an active role in the international negotiations on the Sendai Framework for Disaster Risk Reduction.⁷

Initially less emphasised in the early decades of ASEAN than the other two pillars (i.e. the ASEAN Political-Security Community (APSC) and the AEC), the ASCC is potentially the most impactful of the three because it is the people pillar and it is inherently more cross-sectoral and multidimensional. That is, the ASCC has the potential to frame the effectiveness of the AEC and APSC measures forcefully in terms of their

⁷ The Sendai Framework for Disaster Risk Reduction is a 15 year (2015–2030), voluntary and non-binding agreement adopted by United Nations member states during the Third UN World Conference in Sendai, Japan March 2015. The Sendai Framework agreement is the successor agreement to the Hyogo Framework for Action (2005–2015). The agreement aims for the substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries. (<https://www.unisdr.org/we/coordinate/sendai-framework>).

impact on people empowerment and the interconnectedness of the various measures of the three ASEAN Communities that determine to a large degree the effectiveness of the measures in delivering benefits to the ASEAN peoples. Former Prime Minister Abhisit Vejjajiva of Thailand states that the AEC would find its progress difficult without the ASEAN peoples becoming closer socially and culturally (Vejjajiva, 2017). Former President Fidel Ramos of the Philippines emphasises that in order for the ASEAN peoples to consider ASEAN as their Community in all its dimensions, they need to see it as having pervading beneficial influence on their lives and regard the ASEAN vision as their own (Ramos, 2017).

An indication of the fruition of the community building efforts in ASEAN is that a substantial 37% of the student respondents to the Institute of Southeast Asia Studies (ISEAS) survey in 2014 considered themselves to be 'ASEAN citizens'. A similar study undertaken by ERIA in 2016–2017 using a similar question to that of the Institute of ISEAS survey but involving a wide range of respondents shows that half of the student respondents in the ERIA survey in all AMS consider themselves 'ASEAN citizens', suggesting some progress in the sense of belongingness among the ASEAN peoples. (See Intal and Ruddy, 2017.) This is a significant result considering that when ASEAN was established the ASEAN peoples hardly knew one another and may even have harboured suspicions and mistrust about one another.

Nonetheless, a large percentage of students in ASEAN do not consider themselves ASEAN citizens. Those who do consider themselves ASEAN citizens appear to do so because of geographical proximity to the ASEAN countries and ease of travelling within the region among the ASEAN peoples. Moreover, the ERIA survey suggests that the knowledge of ASEAN is primarily that of the AEC. (The ERIA survey was undertaken just more than 1 year after the establishment of the AEC, which dominated the media in the run-up to its establishment in 2015.) Thus, a huge challenge remains in moving towards a deep sense of ASEAN belonging and shared ASEAN identity.

Considerable Aspirations–Expectations Gap

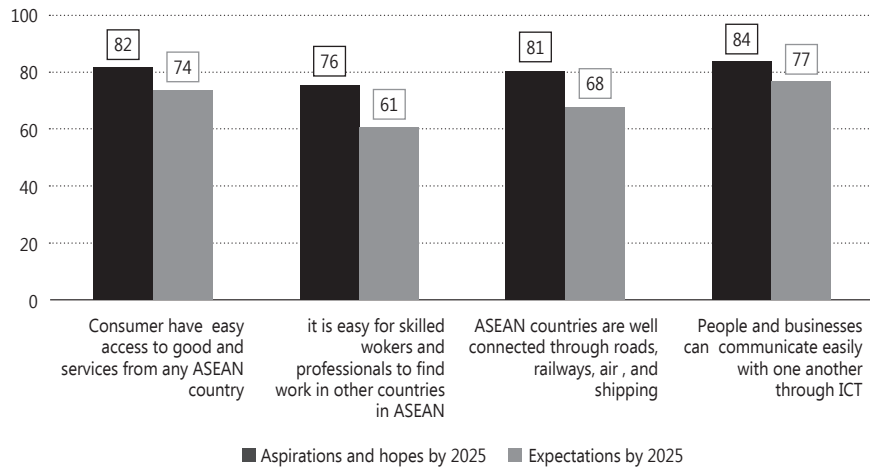
Alongside the remarkable achievement is the considerable aspirations–expectations gap by ASEAN peoples on ASEAN and AMS moving forward into 2025 (and likely beyond into 2040). ERIA undertook a survey in 2016–2017 of 2,322 people from all 10 AMS on their aspirations and expectations for ASEAN and their home countries for 2025 (see Intal and Ruddy, 2017). The respondents cover a wide range of professions including government officials, students, academics and researchers, civil society, and the business sector. The survey results, shown in Figures 2–4, show a strong aspiration (i.e. what the respondents aim or hope for) for an integrated and connected ASEAN; a resilient, equitable, and sustainable ASEAN; an ASEAN of good governance; and an ASEAN with significant global and regional presence and contribution. However, the respondents’ expectations (what they expect to happen) are more downbeat. While they were more optimistic that their aspirations for an integrated and connected ASEAN would happen by 2025, they were much less optimistic about an ASEAN of good governance as well as an equitable and sustainable ASEAN by 2025. There was also a considerable gap between aspirations and expectations for an ASEAN that is resilient to natural disasters and that plays a large role in the global and regional arena (Intal and Ruddy, 2017).

The survey results also show a strong concordance between the respondents’ views on the pressing problems facing their own countries and ASEAN as a region. Corruption ranks as the most important pressing problem at the regional level and, on average, at the national level. Income disparity and social inequality rank second at the national level and third at the regional level, with climate change and natural disasters ranking second at the regional level (Figure 5). To a large extent, the pressing regional and national concerns shown in Figure 5 mirror the gap between aspirations and expectations indicated in Figures 2–4.

The significant gaps between the aspirations and expectations of ASEAN peoples on ASEAN and their own countries indicate strongly that ASEAN remains very much a work in progress. At the same time, the strong concordance and overlap of the regional and national concerns suggests that regionally coordinated concerted national actions addressing the

concerns of importance at both the national and regional levels would enhance the synergy of such actions among the AMS. In addition, achieving the dream of an integrated and connected ASEAN that is more equitable, resilient, and playing a large global and regional role would call for enhancing the synergy among the various blueprints and action plans of the three major communities of ASEAN: the AEC, ASSC, and APSC.

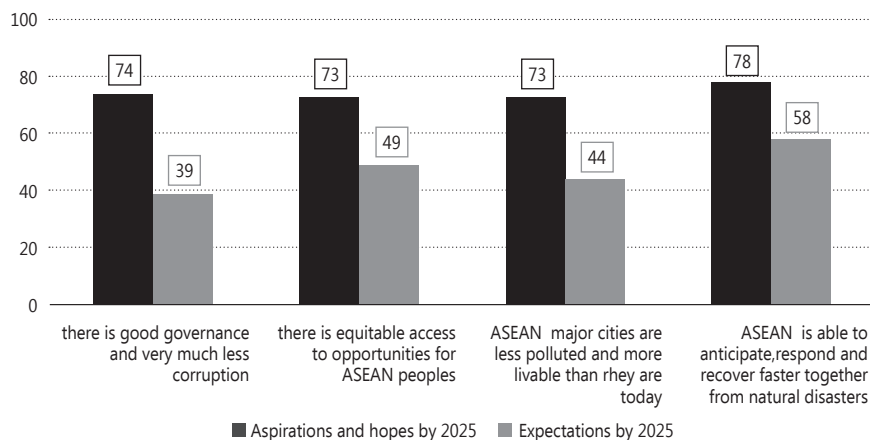
Figure 2: Integrated and Connected ASEAN
(%)



ASEAN = Association of Southeast Asian Nations, ICT = information and communication technology.

Source: Intal and Ruddy (2017).

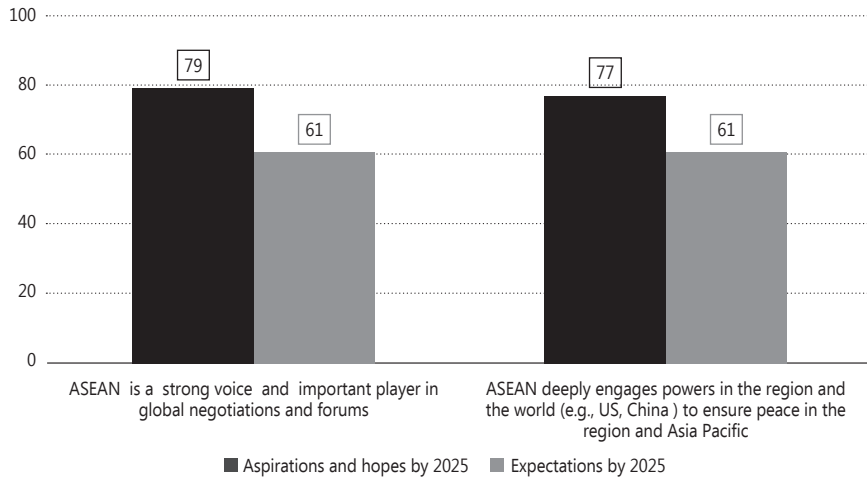
Figure 3: ASEAN Governance, Resilience, and Equity
(%)



ASEAN = Association of Southeast Asian Nations.

Source: Intal and Ruddy (2017).

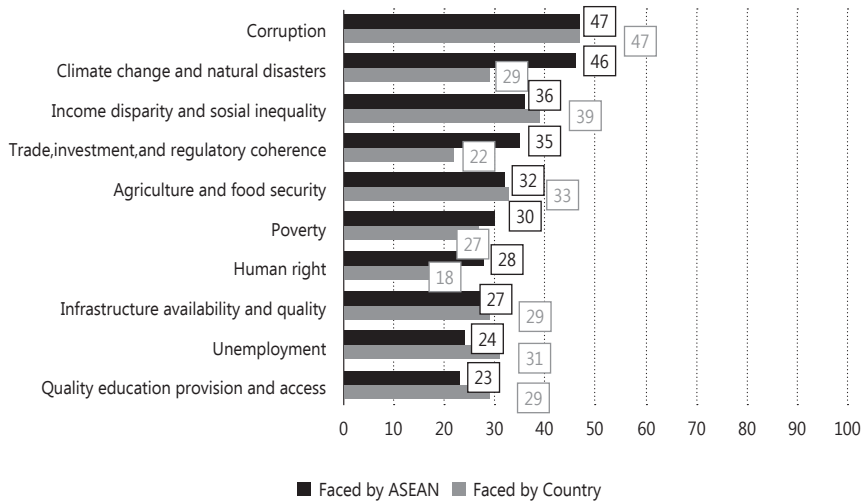
Figure 4: ASEAN Global and Regional Engagement
(%)



ASEAN = Association of Southeast Asian Nations, US = United States.

Source: Intal and Ruddy (2017).

Figure 5: Pressing Problems at ASEAN and National Levels
(%)



ASEAN = Association of Southeast Asian Nations.

Source: Intal and Ruddy (2017).

Finally, and importantly, the regional coordinated concerted actions addressing the concerns of the ASEAN peoples would arguably engender a deeper sense of community and common identity in ASEAN. Former Prime Minister Abhisit Vejjajiva of Thailand emphasises that at the heart of an ASEAN community is a community of people:

‘A true community must be a community of people, a concept that should be at the heart of ASEAN Community. ASEAN must strive to bring its member countries together and create a sense of shared identity of peace and prosperity for all ASEAN peoples based on common ASEAN values with an ASEAN identity.’ (Vejjajiva, 2017; 93)

Thus, ASEAN Leaders like Prime Minister Vejjajiva present the timeless existential challenge of ASEAN, i.e. ASEAN must be of benefit to ASEAN peoples and embody ASEAN values. In addition, former Philippine President Gloria Macapagal-Arroyo emphasises that ASEAN has a responsibility to the broader Asia, which is that ‘More than just a regional community, [ASEAN] must be a dynamic force in Asia towards maximizing the benefits of globalization... uplifting the poor in the region’ (Macapagal-Arroyo, 2017, in Pitsuwan, S. et.al., 2017: 63).

The voices of ASEAN Leaders and peoples described above show that ASEAN peoples and Leaders have high expectations for their own countries and ASEAN. Despite the remarkable achievement of AMS and ASEAN, it is clear that much more is to be done for ASEAN and the AMS to achieve the aspirations of the ASEAN peoples.

Recent key global economic, political-security, and technological developments present ASEAN with both tremendous opportunities for sustainably robust equitable growth and inclusive integration on the one hand and huge risks of comparatively lacklustre growth and greatly reduced international credibility and relevance on the other hand. These developments include (i) the emergence of the China–ASEAN–India growth corridor as the world’s fastest growing largest market in the world; (ii) the digital revolution and Industry 4.0 that characterise the new industrial revolution; (iii) the rise of trade protectionism best exemplified

by the trade policies of the United States, the world's largest economy and hitherto the strongest supporter of the world's trading system; and (iv) the shifting geopolitics in the Pacific and Indian oceans. All four key global and regional developments suggest that business as usual is not an option for ASEAN moving forward. It must step and move up to a next level if it wants to meet the aspirations of its peoples for the future.

II. Key Global and Regional Developments

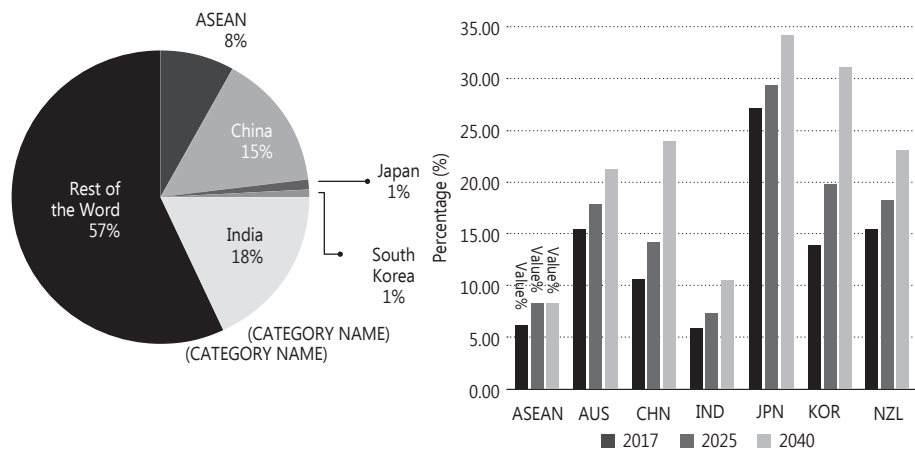
The Rise of Asia Pacific as a Global Economic Powerhouse

China is expected to be a high-income country by around 2030, with a population of about 1.42 billion in 2040. Virtually all AMS would be at least upper middle-income countries, with three or four being high-income countries, by 2040. ASEAN's population is expected to be 0.77 billion by 2040. India is expected to be the fastest growing large economy in the next two decades, in addition to being the most populous country in the world with about 1.61 billion by 2040. ASEAN, China, and India are projected to account for 29% of the world's population in 2040 –the most populous region of the world. China, India, and ASEAN (viewed as a single entity) would belong to the top four economies in the world in terms of GDP in purchasing power parity (PPP) terms by 2040 (Figure 6 and Table 2). The China–ASEAN–India corridor would see the largest increase in the middle class in the world in the next two decades. As a result, the centre of gravity of the world's middle class would shift inexorably from North America and Europe to the Asia–Pacific (including India) region, and much of that shift is because of the surge in the middle class in the China–ASEAN–India corridor.

That the most populous corridor in the world would be largely middle class by 2040 has huge implications. Middle classes invest more in education and health, leading to higher stock (quality) of human capital. Higher quality of human capital contributes to labour flexibility, technical change, and productivity growth. Thus, middle class growth has positive synergy with the long-term growth of an economy. Equally important is the implication of middle-class growth on trade and investment. Middle-class growth means a marked increase in the demand for durables and differentiated products, either domestically produced or imported. The

production of durables is linked to production networks in the region. The middle-class growth is also expected to lead to a marked rise in the demand for services of increasingly higher quality and likely that are increasingly more tradable in view of the emerging technologies. Thus, cross-border service networks or chains can be expected to also grow significantly. What all this means is that East Asia, the 'factory of the world', would be the 'growth market of the world'. Additionally, assuming that trade barriers are reduced much more and there is greater regulatory concordance or convergence or coherence, there would be much greater avenues for intra-regional trade. The graduation of a huge mass of people, most of them in the China–ASEAN–India corridor, into the middle class and consuming class has been called the 'the biggest opportunity in the history of capitalism' (Atsmon, 2012: 1).

Figure 6: Projected ASEAN Population Relative to the World in 2040 (a), Projected Ageing Population Relative to Total Population (%) (b)



ASEAN = Association of Southeast Asian Nations, AUS = Australia, CHN = China, IND = India, JPN = Japan, KOR = Republic of Korea, NZL = New Zealand.

Source: United Nations Department of Economics and Social Affairs, Population Division (2017), World Population Prospects 2017 [Data file]. <https://population.un.org/wpp/Download/Standard/Population/> (accessed 24 November 2018).

**Table 2: GDP Long-term Projections at PPP
(constant 2016 \$ billion)**

GDP Long-term Projections at PPP (in constant 2016 \$billion)

Rank	2016		2030		2040		2050	
	Country	Value	Country	Value	Country	Value	Country	Value
1	China	21,269	China	38,008	China	44,838	China	58,499
2	US	18,562	US	2,3475	India	27,717	India	44,128
3	India	8,721	India	19,511	US	27,017	US	34,102
4	Japan	4,932	Japan	5,606	Indonesia	7,117	Indonesia	10,502
5	Germany	3,979	Indonesia	5,424	Japan	5,997	Brazil	7,540

GDP Long-term Projections at PPP (in constant 2016 \$billion)

Rank	2016		2030		2040		2050	
	Country	Value	Country	Value	Country	Value	Country	Value
1	China	21,269	China	38,008	China	44,838	China	58,499
2	US	18,562	US	23,475	India	27,717	India	44,128
3	India	8,721	India	19,511	US	27,017	US	34,102
4	ASEAN (6)	6,900	ASEAN (6)	12,166	ASEAN (6)	15,861	ASEAN (6)	23,232
5	Japan	4,932	Japan	5,606	Japan	5,997	Brazil	7,540

ASEAN = Association of Southeast Asian Nations, GDP = gross domestic product, PPP = purchasing power parity, US = United States.

Note: ASEAN (6) consists of Indonesia, Malaysia, the Philippines, Thailand, Malaysia, the Philippines, Viet Nam, and Singapore. Data for Singapore taken from Pardee Center International Futures, with GDP at PPP in constant 2011 \$billion. 2040 forecasts are author's own calculation based on data provided by sources.

Source: PricewaterhouseCoopers (2017), The Long View: How will the global economic order change by 2050? <https://www.pwc.com/gx/en/world-2050/assets/pwc-the-world-in-2050-full-report-feb-2017.pdf> (accessed 24 November 2018).

For ASEAN, which is at the geographical centre of the 'world's golden arc of opportunity' – as the fastest and largest growing market in the world – the next two decades into 2040 offer tremendous opportunities for trade, investment, and growth. ASEAN needs to be well positioned to take on the challenges that such golden opportunities offer. The challenges for ASEAN are indeed huge. Benefiting more from the growth corridor entails deeper economic integration with, and therefore openness of ASEAN to, China and India. However, ASEAN has far less technological capability, skilled labour, and scientific and engineering talent than China and India. That is, ASEAN has to markedly improve its technological, human capital, and even institutions and infrastructure to compete effectively under

more liberalised trade and investment environments in the India–ASEAN–China growth corridor. Equally important, given that China and India are both countries while ASEAN is a group of 10 countries, there is a great challenge for ASEAN to approximate as closely as possible the single economy condition of China and India to compete more effectively with them.

Trump, Brexit, and the Importance of Inclusive Integration

One key lesson of the Trump and Brexit phenomena is that globalisation and economic integration can leave some segments of the population behind, fomenting dissatisfaction with globalisation and an open economy and fuelling calls for more protectionist policies. This highlights the importance of giving greater focus to inclusivity in integration and growth. Herein lies the critical importance of complementary policies in the management of adjustment in an integrating world.

The quest for inclusiveness and social equity in the context of an open economy and regional integration involves the pursuit of the elimination of absolute poverty and a reduction in social inequality. Inclusiveness as poverty reduction is best undertaken by robust (better still, high) economic growth over a significant period. Investment is a key growth driver, and many regional integration initiatives in ASEAN (e.g. trade facilitation, connectivity, good regulatory practice) enhance investment attractiveness. In this sense, regional integration supports the pursuit of inclusiveness. The challenge is how the design and implementation of such regional integration measures as investment and growth drivers are themselves enablers of inclusiveness in terms of reduced inequality by giving focus to the impact on employment and small and medium-sized enterprises (SMEs) in the design and implementation of such regional integration measures.

Nonetheless, inclusiveness in growth and integration is much more than poverty reduction and elimination. Indeed, it is the widening inequality that tends to feed disaffection about globalisation and economic openness. The worse is the case of stagnant incomes and widening inequality, which appears to have provided the animus for the more

protectionist calls in the United States. Appropriate complementary policies to the regional integration measures are needed to engender a more inclusive outcome such as reduced social inequality. Such complementary policies include social safety net measures; education and skills training; universal health measures; and for emerging economies, access to electricity, irrigation, roads, safe water, and even sanitation. It is probably not surprising that countries with much better performing social safety nets, education, skills development, and health measures, e.g. Japan, the Scandinavian countries, and Canada, have not experienced a substantial backlash against globalisation and economic openness compared with the US.

The rise of President Trump has one additional result: a strong protectionist trade policy agenda, especially his imposition of tariffs on China's exports to the United States. This has at least two contrasting effects on ASEAN. The first is the relocation of the production of more labour-intensive export-oriented manufacturing from China as well as the realignment of US import sourcing to lower labour cost ASEAN countries which do not face US trade sanctions. The contrasting effect is that China's exports to the US include inputs from ASEAN countries and therefore may dampen exports from AMS. In addition, the worsening trade spat between the two largest economies in the world dampens the global trade and economic environment, and thereby adversely affects the export and growth outlook of AMS because of their heavy reliance on trade. It is not clear whether this is a short-term negotiating strategy or at least a medium-term phenomenon; nonetheless, the rise of a protectionist US calls more than ever for greater efforts for deeper integration within ASEAN and the broader East Asia.

Acceleration of the Digital Revolution and Industry 4.0 in the Region and the World

Revolution denotes abrupt and radical changes in the economic and social systems. Looking back, ASEAN had greatly benefited from the agrarian revolution and the industrial revolution of the 1960s–1980s, with the rise in value-added agricultural production and production networks. Today, the Fourth Industrial Revolution is powered by a wider range

of new technology breakthroughs⁸ – not only in the digital realm (e.g. artificial intelligence, internet of things) but also in the physical realm (e.g. new materials, bioengineering process). The digital economy and Industry 4.0 are revolutionary because of the breadth of technologies, speed of change, and depth of anticipated benefits.

The new technologies and the interactions between them offer new ways to create and consume, will transform how AMS deliver and access public services, and will enable ways to communicate and govern natural resources and build resilience. Almost every aspect of the more than 600 million people of ASEAN will be touched by Industry 4.0: business models, industrial/economic structure, jobs, social interactions, and systems of governance. That distribution of changes will very much depend on how these technologies are adopted to deliver the level of impact expected.

There are many opportunities for AMS and ASEAN arising from the digital economy and Industry 4.0. They include:

1) Increased industrial productivity:

The users of Industry 4.0 technologies expect four major economic benefits in the future compared with companies not taking part in the upcoming industrial revolution: (i) a reduction in costs, which can be realised through an increase in the degree of automation and efficiency; (ii) an increase in flexibility that allows companies to react quickly to changes in orders and capacities, and respond to increasingly individualised customer demands; (iii) increased stability and improved quality arising from intelligent maintenance concepts (e.g. predictive maintenance); and (iv) an increase in turnover through incremental efficiency in business and manufacturing processes and by entering new markets.

⁸ The following are generally considered to be part of Industry 4.0 technologies: artificial intelligence, advanced robotics, mobile internet, sensors and the internet of things, blockchain and distributed ledgers, 3D printing, autonomous vehicles, new nano materials, genetic and bio engineering, new energy and storage technologies, big data, and quantum computing (Anbumozhi and Kimura, 2018).

2) Empowering SMEs with access to technology, finance, and markets:

SMEs are the backbone of the economies of AMS and ASEAN. The rise of digital technology, marketplaces, and online services can empower SMEs to trade in ways that were once unimaginable, connecting them to regional and global markets rather than just local consumers. Technologies such as blockchain will revitalise SME financing and bank logistics. Industry 4.0 thus promises to unleash a new ASEAN of micro-transactions. At present, the value of e-commerce in ASEAN stands at \$9 billion or \$15 per person. In China and India, the value is \$325 and \$75 per person, respectively, which illustrates the size of the potential.

3) Powerful force of inclusion – no one left behind:

The digital economy and Industry 4.0 will create new ways for ASEAN peoples to connect with each other, trade with one another, and access services that are not currently available. Some AMS are archipelagic and physical connectivity has long been constraining their economic development. Investments in high-speed broadband, 3D printers, and local electricity hubs provide a faster way to connect the isolated people than investing in roads, railways, and electricity grids. Telemedicine, when coupled with drone delivery, offers an opportunity to provide improved access to health care for remote areas. Under Industry 4.0, ASEAN peoples will gain access to new sources of information, e.g. market prices, new forms of education such as online courses, and new financial services. The result could be more inclusive forms of growth, given the high cost of moving goods and services around disadvantaged isolated communities.

4) Transforming agriculture:

Many AMS have large agriculture sectors and Industry 4.0 is likely to impact the farming, fisheries, and forestry sector positively. In the short term, the impact of connecting small-scale farmers to the internet has already brought well-documented improvements in farm productivity in countries like China and India, profitability in Latin American countries, and sustainability in Organisation for Economic Co-operation and Development (OECD) economies. Smartphones give farmers better access to market information for their products; weather information to tackle climate variability; and knowledge about soil, seeds, and fertiliser.

- 5) Improving natural resources management:
A recent ASEAN environmental outlook suggests that 40% of the land in six AMS suffers from severe human-induced degradation (see Anbumozhi and Kimura, 2018). Artificial intelligence, remote sensing, and drones offer opportunities to monitor natural resources, forests, and fisheries activities much more effectively. Irrigation systems and land use practices could be planned and operated more efficiently through blockchain and automated systems.

- 6) Improved resilience:
ASEAN is more vulnerable to climate change and disasters given the heavily populated coastline, continued reliance on agriculture, and persistent incidence of poverty. Information and communication technology and remote sensing technologies, when combined with big data, can provide effective early warning systems and new ways of preparing for disasters and delivering recovery and aid services. Collecting location-specific data will enable the identification of adaptive actions, but also potentially lower the costs of providing services by reducing money spent on inappropriate and duplicative projects and programs.

The discussion above shows that huge potential benefits arise from the embrace of the digital economy and Industry 4.0 in ASEAN. There may be more benefits, such as more efficient use of materials, if the circular economy takes hold in the region.

Industry 4.0 and the digital economy also pose significant risks and challenges, however, including the following:

- Technologies such as artificial intelligence and robotics will decrease the competitiveness of low-cost and low-skilled labour. 3D printing could transform the nature of manufacturing. With the advent of production networks, many goods are made at decentralised locations operating at scale and producing standardised products. In the future, 3D printing may mean that products are produced locally close to users or consumers on a highly customised basis.

- Industry 4.0 technologies are also rapidly increasing the jobs that machines can perform better and faster than people. While this may reduce costs and raise productivity, it will also threaten jobs, and some members of ASEAN will be more affected than others. The immediate threats are to low-skilled, repetitive jobs such as assembly line workers, but services jobs are also at risk, threatening to undermine regional success stories such as the rise of the business-process outsourcing sector. Moreover, digitalisation and automation could lead to the reshoring of manufacturing back to high labour-cost countries, and reduce the attractiveness of ASEAN for FDI in the manufacturing sectors. Retraining and skill development may cushion the impact of automation, but will not prevent deep shocks. Rapid movement towards knowledge-based and creative economies will be required for ASEAN to remain competitive at the global level.
- The digital economy and Industry 4.0 promise to empower ASEAN SMEs, but they may create difficulties for larger businesses. This is especially true for the type of companies that require scale to be competitive, such as banks and online businesses. The spread of digital networks means that the economics of online business no longer experience diminishing returns to scale. Adding an additional customer or user has almost zero marginal cost and instead delivers ever greater value through the impact of network effects. On the other hand, as more and more devices, sensors, and machines are connected through the internet, the potential for damage and cyberattacks will rise significantly. The likely annual cost to the global economy from cybercrime is \$375 billion–\$575 billion.
- Economic convergence among ASEAN economies has shown promising trends since the 2000s. The impact of Industry 4.0 has the potential to accelerate returns to talent and knowledge. This could slow down or even reverse the gains achieved in the past decades between advanced economies and less developed countries within ASEAN, and would widen inequality within countries.

In view of the tremendous opportunities and large risks, the way forward calls for a more innovative ASEAN. Embracing the digital economy and Industry 4.0, and countering job losses and disruptions from the digital economy, will require innovation and transformative education.

Innovative enterprises and start-ups will be critical to capturing these opportunities. AMS that are unable to innovate and apply Industry 4.0 technological advances to their present industries are unlikely to cope with the negative externalities of the digital economy. Hence, innovation capacity and educational systems will be more critical for ASEAN. This will call for ASEAN firms to articulate a long-term strategic plan of digital technology and human resources strategies to advance from basic production capacity to the ability to adopt and adapt disruptive technologies. It may call for AMS to think about how to connect national innovation systems, incubators, and regional business and financial support services to help current research and development programs to operate across ASEAN in embracing Industry 4.0. AMSs may need to nurture the cross-fertilisation of ideas to support the exploration of complementarities among the group of Industry 4.0 technologies.

In summary, the digital revolution and the new technologies that underpin Industry 4.0 can lead to a services revolution under the so-called 3rd unbundling⁹ or to a disruptive production revolution, which can result in either structural unemployment or substantial productivity improvement or both. Thus, while the 2nd unbundling benefited ASEAN greatly because it suited the latent comparative advantage of AMS in labour-intensive manufacturing, the impact of the new industrial economy on ASEAN and AMS is far less certain because it depends largely on how successful the AMS will be in adjusting to the challenges and opportunities of the digital revolution and Industry 4.0 in the future.

ASEAN Centrality in a Dynamic and Outward-looking Region

In a rapidly changing geopolitical landscape, ASEAN has been able to uphold and strengthen its unity, cohesiveness, and centrality in the evolving regional architecture, which is built upon ASEAN-led mechanisms. ASEAN's most important asset for shaping external powers' engagement with Southeast Asia is through its position as the hub of

⁹ 3rd unbundling involves the unbundling of tasks while the 2nd unbundling involves the unbundling of production into tasks. Thus, 3rd unbundling involves even greater disaggregation of activities (as compared to 2nd unbundling) that can be undertaken in different locations domestically or abroad.

the broader region's political-security forums, principally the East Asia Summit, the ASEAN Regional Forum, and the ASEAN Defence Ministers' Meeting Plus. ASEAN has been successful in using this role to set the agenda of regionalism and to inculcate ASEAN norms and the concept of ASEAN centrality in its dialogue partners. It is basically through these platforms and mechanisms that AMS perform their important roles in the geopolitics of Southeast Asia, East Asia, and the wider Asia-Pacific region.

However, despite ASEAN's success so far in creating structures that bring the entire region together on its terms, these institutions have not achieved their potential, which poses a real risk for their future relevance. One of the major built-in weaknesses of ASEAN-based institutions is their organisational basis – requiring collective decision making based on ASEAN consensus – while there are major differences in national priorities. As a result, the ability is limited for ASEAN-centred institutions to develop into robust, effective organisations for tackling difficult issues involving external major powers as well as intra-ASEAN issues such as the Rohingya in Myanmar. ASEAN centrality is therefore crucial to the widespread acceptance of the regional institutions, peace, and stability in the region.

The increasing rivalry and potential conflict between the US as the established power and China as the emerging power has been rising. Since the end of the Second World War, the US has been the stabilising power and the guarantor of peace and stability in East and Southeast Asia. The election of President Trump has signalled a major global and regional strategic foreign policy shift of the US. Whether this is a temporary or more permanent shift will have far-reaching implications on peace and stability in East and Southeast Asia and implicitly on the viability of ASEAN centrality. The South China Sea dispute is a case in point, involving the great powers, which is taking place in Southeast Asia. In this context, ASEAN's role as the anchor of the region will become more important in the future. With the possibility of US retrenchment from the region and China's growing influence, ASEAN will need to ensure its centrality in the region. The draft agreement of the Code of Conduct on South China Seas signed at the 51st ASEAN Foreign Ministers' Meeting in Singapore in August 2018 is a vital step forward as a framework for addressing this potentially explosive maritime security

issue. Other potential flashpoints include the nuclear issue in the Korean peninsula, conflicting claims on maritime islands by China and Japan in the East China Sea, and the long-standing cross-strait issue between China and Taiwan. As the rivalry of the great powers in the region increases, ASEAN's ability to maintain a common approach towards these powers is likely to come under increasing pressure – and so the viability of ASEAN centrality.

The continued relevance of ASEAN centrality is its ability to strengthen stability and peace in the broader region. By bringing regional partners around the table and promoting the use of diplomacy as opposed to force, ASEAN has contributed to a more stable regional dynamic. In the past, this was done by limiting the scope for competition between major powers in Southeast Asia. However, ASEAN's prospects for a more active stabilising role are limited in the future as its centrality in the region is heavily dependent on external dynamics over which it has no direct control. In the present, ASEAN's relevance is supported by a large degree of rivalry between the great powers. At the same time, ASEAN's diplomatic space to act will continue to be limited by inequality in terms of economic and political power between ASEAN and the major powers. Moreover, ASEAN is unable to address most of the main security issues that exist among the major powers in the regional institutions, except the South China Sea. The rapid rise of China, and to a lesser extent of India, has created undefined enormous challenges to ASEAN centrality and indirectly to its relevance as a 'catalyst of Asian regionalism', peace, and stability in the region.

Under the likely increasing regional security landscape in Southeast Asia towards the ASEAN Vision 2040, what are the policy options available for ASEAN to choose? Two possibilities arise from this emerging security landscape. One approach is to expect that the great powers have a benign foreign policy posture towards the region by putting regional stability above their great power ambitions and national interests. However, this approach is not realistic and is a far-fetched illusion devoid of historical precedent. The other policy option is to make ASEAN centrality more resilient by strengthen ASEAN as a competitive, integrated, sustainable, and inclusive region as envisioned in the AEC, APSC, and ASCC. Even this approach is not a guarantee for avoiding

Southeast Asia becoming a region of contest for the great powers. Nonetheless, this approach has better chances of success as it is within ASEAN's range of internal leverage.

As clearly stated in the APSC Blueprint 2025 (ASEAN Secretariat, 2015), the key elements of ASEAN centrality in a dynamic and outward-looking region are to strengthen ASEAN unity, cohesiveness, and centrality in shaping the evolving regional architecture, built upon ASEAN-led mechanisms; and to strengthen ASEAN's institutional capacity and presence. This APSC Blueprint is valid and viable to face ASEAN present and future global and regional development in the realm of security and emerging geopolitical trends. However, it is important to deepen cooperation with dialogue partners, develop and maintain effective partnership with external parties to support the ASEAN Community Vision 2025 (ASEAN Secretariat, 2015), and enhance ASEAN capacity to contribute and respond to key international issues of common interest and concern. Equally important is to recognise that the APSC Blueprint is strategically linked with the AEC and ASCC blueprints, as security resilience and sustainability are intimately linked to economic prosperity, harmony, and inclusiveness in social and cultural dimensions.

In the economic context, ASEAN has been pursuing ASEAN centrality mainly by establishing free trade agreement networks with its dialogue partners. The Regional Comprehensive Economic Partnership (RCEP) framework is an extension of that framework and mechanism. High-quality successful completion of the RCEP would go a long way to provide viable and sustainable ASEAN centrality in facing uncertain and dynamic geopolitical challenges in the region towards the ASEAN Vision 2040. The RCEP is strategically linked to the AEC Blueprint 2025. As a competitive, integrated, inclusive, prosperous, and harmonious economic community of a single market and production base, ASEAN would be in a much better position to continue its centrality role as a facilitator and a driver of substance in creating a peaceful and prosperous Southeast Asia. Moving forward, ASEAN must continue to be proactive and engaged with the great powers in a dynamic equilibrium, in ensuring that it maintains its centrality and that external powers see value and necessity in ASEAN in taking the driver's seat for the good of great and small powers in the region.

It has been a common consensus that ASEAN centrality became a key principle in ASEAN's extra-regional interactions with its dialogue partners, as non-ASEAN states began to recognise the value of ASEAN's multilateral norms in conflict management. However, the most serious challenge that ASEAN faces is the huge gap between its institutional capacity to help govern the region and the promises outlined in the APSC. This gap will become wider and more serious in the future towards ASEAN 2040. To narrow it, ASEAN must pursue measures to streamline its work processes; increase effectiveness, efficiency, and coordination in the work of its organs and bodies; and increase its institutional presence at the national, regional, and international levels.

In conclusion, the geopolitics of East Asia has been changing dramatically with the rise of China in the economic, military, and diplomatic arenas. A fast-rising India can be expected to flex its diplomatic muscles much more in the future, especially as it becomes the most populated country in the world. Thus, the era of Pax Americana in the Asia Pacific with a hegemonic US is giving way to a more multipolar world in the region. ASEAN centrality in the region has been tested greatly in recent years. More than ever, ASEAN needs to ensure that ASEAN centrality has strong resonance in an increasingly multipolar world.

ASEAN at the Crossroads?

Amidst the formidable challenges presented above, is ASEAN at the crossroads? Whether it is or not, the discussion above indicates that business as usual is not an option for ASEAN moving forward. It must step and move up to a next level if it wants to meet the aspirations of its people for the future in an effective manner.

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Appendix

Table A1: Growth Rate of ASEAN, China, and India GDP (constant 2010 US\$)
(%)

Country	1990–1996	1997–1999	2000–2004	2005–2009	2010–2014	2015–2017
Brunei Darussalam	2.8	0.3	2.6	0.2	0.6	(0.6)
Cambodia	(6.3) *	7.1	8.7	8.2	7.0	6.9
Indonesia	7.2	(2.5)	4.6	5.6	5.8	5.0
Lao PDR	6.4	6.0	6.0	7.7	8.0	7.1
Myanmar	5.5	7.5	12.9	11.9	7.8	6.4
Malaysia	9.5	2.0	5.5	4.1	5.8	5.0
Philippines	2.8	2.6	4.5	4.4	6.2	6.5
Singapore	8.7	4.1	5.2	5.3	6.9	2.8
Thailand	8.3	(1.9)	5.5	3.1	3.9	3.4
Viet Nam	7.9	6.2	6.7	6.5	5.9	6.6
China	10.7	8.2	9.2	11.5	8.6	6.8
India	5.5	6.4	5.7	8.1	7.2	7.3

ASEAN = Association of Southeast Asian Nations, GDP = gross domestic product, Lao PDR = Lao People's Democratic Republic.

* Data for Cambodia available from 1994.

Source: World Bank, World Development Indicator (2018), GDP (Constant 2010 US\$) [Data file]. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?view=chart> (accessed 25 November 2018).

**Table A2: Gross Capital Formation
(%of GDP)**

Country	1990–1992	2000–2002	2010–2012	2015–2017
Brunei Darussalam	20.9	16.2	27.5	34.9
Cambodia	(...)	18.1	17.7	22.7
Indonesia	31.6	22.1	33.6	33.8
Lao PDR	(...)	18.7	29.3	29.9
Myanmar	(...)	(...)	27.8	33.9*
Malaysia	35.2	25.3	24.1	25.5
Philippines	21.9	21.7	19.7	23.5
Singapore	35.0	29.4	28.4	27.3
Thailand	41.4	22.7	26.7	21.9*
Viet Nam	15.1	31.3	30.9	26.7
China	36.8	36.0	47.5	44.4
India	26.3	27.2	39.5	31.0

GDP = gross domestic product, Lao PDR = Lao People's Democratic Republic.

* Data for Myanmar and Thailand only available from 2015 to 2016.

Source: World Bank, World Development Indicator (2018), Gross Capital Formation (% GDP) [Data file]. <https://data.worldbank.org/indicator/NE.GDI.TOTL.ZS> (accessed 25 November 2018).

**Table A3: Gross Domestic Savings
(% of GDP)**

Country	1990–1992	2000–2002	2010–2012	2015–2017
Brunei Darussalam	49.3	46.9	66.5	53.6
Cambodia	(...)	8.3	12.5	19.3
Indonesia	27.1	29.0	34.9	33.0
Lao PDR	(...)	9.5	15.4	18.6
Myanmar	(...)	(...)	35.4	30.9*
Malaysia	35.1	43.3	38.2	32.6
Philippines	16.8	15.7	16.8	15.4
Singapore	46.9	44.1	54.3	53.2
Thailand	35.1	31.3	31.2	32.3*
Viet Nam	8.9	28.2	28.3	25.4
China	38.3	37.9	50.8	47.0
India	22.2	24.5	33.1	30.2

GDP = gross domestic product, Lao PDR = Lao People's Democratic Republic.

* Data for Myanmar and Thailand only available from 2015 to 2016

Source: World Bank, World Development Indicator (2018), Gross Domestic Savings (% GDP) [Data file]. <https://data.worldbank.org/indicator/NY.GDS.TOTL.ZS?view=chart> (accessed 25 November 2018).

Table A4: Foreign Direct Investment: Inward Flow
(% of gross fixed capital formation)

Country	1990–1995	1996–2001	2002–2007	2008–2013	2014–2016
Brunei Darussalam	3.8	32.6	52.6	12.7	4.1
Cambodia	24.0	42.0	26.3	67.0	52.3
Indonesia	4.8	(2.2)	4.3	5.8	4.9
Lao PDR	12.8	22.5	7.9	12.6	24.0
Myanmar	19.4	14.4	15.1	13.1	13.4
Malaysia	23.2	43.3	46.3	16.3	10.5
Philippines	6.4	7.1	7.7	4.6	8.4
Singapore	31.3	44.0	72.5	58.4	91.7
Thailand	4.3	15.9	13.8	10.2	4.2
ASEAN	33.5	23.1	13.8	22.9	23.8
Viet Nam	10.9	16.5	19.1	15.2	17.6
China	9.8	12.3	7.7	4.0	2.8
India	0.8	3.0	4.1	6.0	6.3

ASEAN = Association of Southeast Asian Nations, Lao PDR = Lao People's Democratic Republic.

Source: UNCTAD (2018), Foreign direct investment: Inward flow (Percentage of Gross Fixed Capital Formation) [Data file].
<http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=96740> (accessed 25 November 2018).

**Table A5: Foreign Direct Investment: Inward Flow
(% of GDP)**

Country	1990–1995	1996–2001	2002–2007	2008–2013	2014–2016
Brunei Darussalam	2.0	11.3	12.0	3.5	1.1
Cambodia	2.7	5.9	5.1	11.7	11.2
Indonesia	1.2	(0.2)	1.0	1.8	1.6
Lao PDR	2.2	3.8	2.5	3.5	6.5
Myanmar	7.4	4.5	3.4	3.0	3.5
Malaysia	3.1	5.7	5.4	3.7	3.5
Philippines	1.6	1.7	1.6	0.9	1.9
Singapore	10.4	15.2	17.5	15.7	23.7
Thailand	1.7	3.7	3.5	2.5	1.0
ASEAN	6.7	6.2	4.5	6.6	5.7
Viet Nam	3.3	4.3	4.4	4.1	4.9
China	3.3	4.1	3.0	1.7	1.2
India	0.2	0.8	1.3	2.1	1.9

ASEAN = Association of Southeast Asian Nations, GDP = gross domestic product, Lao PDR = Lao People's Democratic Republic.

Source: UNCTAD (2018), Foreign direct investment: Inward Flow (Percentage of Gross Domestic Product) [Data file]. <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=96740> (accessed 25 November 2018).

Table A6: Foreign Trade to GDP
(%)

Country	1990–1992	2000–2002	2010–2012	2015–2017
Brunei Darussalam	103.9	106.9	100.2	85.8
Cambodia	(...)	114.8	115.9	126.6
Indonesia	55.1	66.8	48.8	39.6
Lao PDR	39.4	67.3	91.5	78.9
Myanmar	(...)	0.9	7.6	43.2*
Malaysia	152.3	207.7	153.6	132.7
Philippines	62.0	102.0	68.0	66.1
Singapore	326.4	357.7	374.6	320.6
Thailand	77.4	118.8	135.1	123.8*
Viet Nam	73.9	113.4	157.2	187.9
China	26.8	40.2	49.2	38.1
India	17.2	27.8	53.7	41.0

GDP = gross domestic product, Lao PDR = Lao People’s Democratic Republic.

* Data for Myanmar and Thailand only available from 2015 to 2016.

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