



ASEAN Economic Community (AEC)



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one identity
one community

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The formal establishment of the ASEAN Economic Community (AEC), as part of the ASEAN Community, on 31 December 2015, marks an important milestone in ASEAN economic integration agenda. This was preceded by implementation of measures in the first AEC Blueprint (2008-2015), with the following key achievements:

- More open market, with intra-regional tariffs virtually eliminated and formal restrictions in services sector gradually removed;
- Reduced trade costs through simplification of cross-border trading processes, including on customs procedures and rules of origin, harmonisation of technical regulations and mutual recognition arrangements;
- More attractive investment regime, and a more business-friendly and innovation-supportive environment through the adoption

of common frameworks, standards and mutual cooperation in various areas; and

- Better connectivity in transportation and other infrastructure networks.

However, community building is not a static end goal but rather a dynamic process that requires continuous reinvention of the region to seek deeper and broader integration as well as ensure its continued relevance in an evolving global economy.

The AEC Blueprint 2025, adopted by the ASEAN Leaders at the 27th ASEAN Summit in Kuala Lumpur, Malaysia, provides broad directions through strategic measures to guide the next phase of ASEAN economic integration from 2016 to 2025. Along with the ASEAN Community Vision 2025, the ASEAN Political-Security Community

ASEAN Economic Community 2025				
A Highly Integrated & Cohesive Economy	A Competitive, Innovative & Dynamic ASEAN	Enhanced Connectivity & Sectoral Cooperation	A Resilient, Inclusive, People-Oriented & People-Centred ASEAN	A Global ASEAN
Trade in Goods	Effective Competition Policy	Transport	Strengthening the Role of MSMEs	Strategic approach towards external economic relations
Trade in Services	Consumer Protection	ICT	Strengthening the Role of the Private Sector	Review and improve existing ASEAN FTAs and CEPs
Investment Environment	Strengthening IPR Cooperation	E-commerce	Public-Private Partnership	Enhance economic partnerships with non-FTA DPs
Financial Integration, Financial Inclusion, and Financial Stability	Productivity-Driven Growth, Innovation, R&D, Technology Commercialisation	Energy	Narrowing the Development Gap	Engage with regional and global partners
Facilitating Movement of Skilled Labour & Business Visitors	Taxation Cooperation	Food, Agriculture, and Forestry	Contribution of Stakeholders on Regional Integration Efforts	Support to the multilateral trading system
Enhancing Participation in GVCs	Good Governance	Tourism		Engagements with regional and global institutions
	Effective, Efficient, Coherent and Responsive Regulations, and GRP	Healthcare		
	Sustainable Economic Development	Minerals		
	Global Megatrends and Emerging Trade-related Issues	Science &Technology		

(APSC) Blueprint 2025 and the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025, the AEC Blueprint 2025 forms part of *ASEAN 2025: Forging Ahead Together*.

Under the new Blueprint, a stronger AEC is envisaged by 2025 with the following characteristics:

- (a) A Highly Integrated and Cohesive Economy;
- (b) A Competitive, Innovative, and Dynamic ASEAN;
- (c) Enhanced Connectivity and Sectoral Cooperation;
- (d) A Resilient, Inclusive and People-Oriented, People-Centred ASEAN; and
- (e) A Global ASEAN

The AEC Blueprint 2025 sets higher ambition through the deepening of existing integration areas, and incorporation of new focus areas such as Global Value Chains (GVCs), good regulatory practice, sustainable development, global megatrends and emerging trade-related issues.

At the time of its establishment, the AEC took form of a large market with a combined GDP over US\$ 2.4 trillion, which collectively put the region as the 6th largest economy in the world. With a total population of almost 630 million people, ASEAN is the world's 3rd most populous market, behind only China and India.

In 2016, efforts have been focused on putting in place the fundamentals for effective operationalisation of the AEC Blueprint 2025 through the adoption of various AEC sectoral work

plans. In parallel, continued progress was made on completing the remaining AEC 2015 measures as well as initiating the implementation of new measures under the AEC Blueprint 2025.

In its inaugural year of the AEC, and under the chairmanship of Lao PDR, the 48th ASEAN Economic Ministers' (AEM) Meeting adopted the following priority deliverables:

- 1) The ASEAN Trade Facilitation Framework;
- 2) The ASEAN Food Safety Regulatory Framework;
- 3) The ASEAN Institutional Framework on Access to Finance for MSME;
- 4) The Report and Work Programme on Starting a Business in ASEAN; and
- 5) The ASEAN Guidelines for Special Economic Zones Development & Collaboration.

The Pakse Declaration on ASEAN Roadmap for Strategic Development of Ecotourism Clusters and Corridors was likewise adopted by the ASEAN Tourism Ministers, while good progress was also made in the work on the ASEAN Sustainable Tourism Award.

The ASEAN Solutions for Investments, Services and Trade (ASSIST), which is aimed at delivering practical solutions to help businesses address their concerns and difficulties while doing business in the region (<http://assist.asean.org>) is now fully operational; while ASEAN Tariff Finder website (<http://tariff-finder.asean.org/>) has been launched, providing a cost-free search engine for tariff-related information under the ASEAN Trade in



ASEAN

Economic Community at a Glance



ASEAN ECONOMY

A Highly Competitive Economic Region

With an average annual real growth rate of **5.3%**, between 2007 and 2015, collectively ASEAN economy was the **6th largest in the world** and the **3rd largest in Asia** in 2015.



ASEAN TRADE

A More Integrated Market

Total trade increased by **US\$ 700 billion** between 2007 and 2015, with **intra-ASEAN** trade comprising the **largest share** of ASEAN's total trade.



ASEAN INVESTMENT

A Preferred Investment Destination

In 2015, ASEAN attracted **US\$ 121 billion** of FDI with **intra-ASEAN** constituting the **largest share** of inflows.



ASEAN PEOPLE

A Dynamic and Vibrant Community

In 2015, ASEAN was the **3rd largest** by population with **more than half** under the age of 30 and **47.7%** living in urban areas.



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Goods Agreement and other ASEAN +1 Free Trade Agreements.

Effective implementation of AEC Blueprint 2025 requires key reference for institutionalising monitoring and evaluation mechanisms across AEC sectors. To this end, the AEC 2025 Monitoring and Evaluation Framework was

endorsed by the ASEAN Economic Community and the AEC Council in August and September 2016, respectively. This framework enhances the previous mechanism, by going beyond compliance monitoring to also cover the outcomes monitoring and impact evaluation of regional economic integration.

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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