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The 16th issue of the ASEAN Economic Integration Brief (AEIB), the second for this year, highlights ASEAN's steady economic growth trajectory, projected to climb from 4.0 per cent in 2023 to 4.7 per cent in 2025, driven by thriving tourism, the electronics sector, and robust domestic demand. Meanwhile, strategic priorities, such as economic diversification, regional integration, and sustainability initiatives - including green value chains and the blue economy - position ASEAN to enhance resilience and competitiveness amidst global uncertainties.

This edition features exclusive insights from H.E. Ekkaphab Phanthavong, former Deputy Secretary-General of ASEAN for the ASEAN Socio-Cultural Community (ASCC). He reflects on growing synergy between ASCC and ASEAN Economic Community (AEC) initiatives in advancing regional cooperation and integration.

Also featured in this edition are Kafi Adi Prasetya and Nurul Imlati from the ASEAN Secretariat's Services and Investment Division, who share the key progress of ASEAN's services integration. They delve into the ASEAN Services Facilitation Framework (ASFF), showcasing its strategic pillars - from regulatory transparency and talent mobility to digital innovation and sustainability - that aim to transform ASEAN's services sector into a competitive, resilient, and future-ready growth engine.

As a regular feature of the AEIB, this edition includes an in-depth analysis of regional economic outlook, updates on AEC developments, and the latest key economic indicators shaping the region's economic landscape.

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Driving Synergy and Collaboration Across ASEAN Community Pillars



H.E. EKKAPHAB PHANTHAVONG

Former Deputy Secretary-General of ASEAN for the ASEAN Socio-Cultural Community (12 October 2021 - 11 October 2024)

Critical cross-pillar agreements are being implemented to ensure our people's health and well-being. In 2023, Health and Economic Ministers adopted the ASEAN Pharmaceutical Regulatory Policy, a significant step towards making safe, efficacious, and quality pharmaceuticals to our people. The ASEAN Food Safety Regulatory Framework Agreement harmonises food safety regulations, thereby facilitating the free flow of food within the region and ensuring the safety of consumers.

The ASSC and AEC also find common ground on the region's grave challenges: digital transformation and climate change. Our joint efforts in these areas are testament to our collective determination to overcome obstacles and pave the way for a brighter future.

Both ASSC and AEC recognise the potential of digital technologies to accelerate growth and improve people's lives. For ASSC, the focus has been to push for initiatives to build the digital literacy of children and youth, upskill and reskill workers to prepare them for the changing world of work, expand the digital participation of the ASEAN population, and create a safe and socially responsible online environment. For example, the ASSC has issued the following: (1) Declaration on Digital Transformation of Education Systems in ASEAN, which promotes optimising digital technologies for teaching and learning; (2) Declaration on Human Resources Development in the Changing World of Work, which supports life-long learning and developing skilled and agile workforce; and (3) Declaration on Promoting Competitiveness, Resilience, and Agility of Workers for the Future of Work which commits to a human-centred approach in preparing workers for transformational change in the workplace. These efforts complement the work of the AEC in addressing the shortage of digitally skilled workers across all economic sectors and developing a technologically-savvy and innovative populace to bolster the economy.

The ASSC and AEC also realise the existential threat posed by climate change and are working to curb greenhouse gas emissions and stave off its worse effects. ASSC's efforts include supporting ASEAN Member States in achieving their nationally determined contributions. For example, ASEAN prepared the *ASEAN State of Climate Change Report*, which identifies opportunities for collaboration in ASEAN to meet the target of net zero by 2050.

ASEAN also prepared the report, *Investing in Sustainable Natural Capital in ASEAN*, which seeks to encourage Member States to upscale, monitor, and measure the impact of their nature-based solutions. Most Member States have adopted nature-based solutions to reduce climate change's impact on the ecosystem and build resilience against zoonotic diseases.

ASSC's initiatives parallel AEC's ongoing work to achieve a carbon-neutral future. Its ASEAN Strategy for Carbon Neutrality outlines eight strategies including, amongst others, removing trade barriers to bring green products to ASEAN markets faster, strengthening regional circular economy supply chains, and developing interoperable carbon markets.

ASEAN's vision of sustainable, inclusive, and equitable development requires regular interaction and collaboration between all ASEAN Communities—socio-cultural, economic, and political security.

Whilst the ASEAN Socio-Cultural Community (ASSC) Blueprint and the ASEAN Economic Community (AEC) Blueprints have distinct focuses, they share common goals related to human development, sustainable development, and ASEAN identity building. The intersection of these areas highlights the interconnectedness of economic, social, and cultural factors in achieving ASEAN's integration objectives.

The ASSC and AEC have forged a close working relationship, applying a multifaceted approach to resolving regional challenges. This collaborative effort underscores the shared commitment to the ASEAN vision of sustainable, inclusive, and equitable development.

One concrete example is the development and implementation of the ASEAN Comprehensive Recovery Framework. The Framework contains the region's consolidated strategy to cushion the impact of COVID-19, facilitate recovery, strengthen health systems, and build resilience to future disruptions and crises. The ASSC's contributions include: (1) initiating the ASEAN COVID-19 Genomics Project, which rendered real-time genomic surveillance for early detection of virus mutations; (2) setting up the ASEAN Centre for Public Health Emergencies and Emerging Diseases (ACPHEED) for the prevention, early detection, and faster response to future health emergencies; and (3) tapping the ASEAN Forum on Migrant Labour for discussions on protecting workers' rights as the region recovers from COVID-19.

Finally, ASCC has advanced gender integration in various ASEAN roadmaps and action plans within the socio-cultural and economic pillars, in line with the ASEAN Gender Mainstreaming Strategic Framework. Some examples are (1) Gender Mainstreaming in Science, Technology and Innovation: Sensitization and Socialization of Gender Equality and Women Empowerment, and the ASEAN Gender Mainstreaming Strategic Framework, co-organised by the Committee on Science, Technology and Innovation (COSTI) and the ASEAN Committee on Women; (2) ASEAN Ministers Meeting on Agriculture and Forestry's (AMAF) Approach to Gender Mainstreaming in the Food, Agriculture, and Forestry Sectors; and (3) Roadmap on Accelerating ASEAN Renewa-

ble Energy Deployment through Gender-Responsive Energy Policy being implemented by the ASEAN Centre for Energy (ACE).

The ASCC remains steadfast in its commitment to ensuring that any policy- or standard-setting and knowledge-sharing activities always include or consider the perspective of the other pillars of ASEAN cooperation. This inclusive approach is crucial as regional challenges become increasingly complex, and ASEAN needs to ramp up cross-pillar collaboration for harmonised activities that lead to more meaningful development.

ECONOMIC OUTLOOK

ASEAN's economic growth stood at 4.0 per cent in 2023 and is projected to accelerate moderately to 4.7 per cent in 2024 as well as in 2025. This outlook is set against the backdrop of the global economy's resilience after withstanding disruptions in the last two years stemming from significant interest rate hikes by central banks aimed at reestablishing price stability. Growth in the region is expected to be primarily driven by an increase in tourist arrivals and the resurgence of the global semiconductor and electronics sectors. Additionally, domestic demand is expected to remain robust, driven by a rebound in investment and sustained strength in consumer spending.

Trade. Consistent with negative growth in trade globally, trade in ASEAN experienced a decline in 2023 (Figure 1) due to a confluence of factors including geopolitical crisis and slowdown in ASEAN's major trade partner economy. Amongst the top three traded commodities in ASEAN in 2023, two showed significant decreases compared to 2022. Electronics (HS-85) decreased by 8.4 per cent, and mineral fuels (HS-27) decreased by 13.7 per cent. Machinery (HS-84), however, remained relatively stable with a slight decrease of 2.6 per cent. Intra-ASEAN trade accounted for the largest share, representing 21.5 per cent of the region's total trade. China remained as ASEAN's largest trading partner, representing 19.8 per cent of ASEAN's total trade, followed by the United States at 11.2 per cent and EU at 7.9 per cent. The region's trade outlook for 2024 is projected to be promising, driven by a combination of strong domestic demand, increased output, and an anticipated improvement in global demand.¹

Foreign Direct Investment. The total amount of Foreign -

Table 1. Real GDP Growth

AMS	Annual Growth, in %				Revised Change, pp	
	2022	2023	*2024f	*2025f	2024f	2025f
Brunei Darussalam	-1.6	1.4	3.7	2.8	0.0	0.0
Cambodia	5.2	5.0	5.8	6.0	0.0	0.0
Indonesia	5.3	5.0	5.0	5.0	0.0	0.0
Lao PDR	4.4	4.2	4.0	3.7	0.0	-0.3
Malaysia	8.9	3.6	4.5	4.6	0.0	0.0
Myanmar	3.4	3.5	0.8	1.7	-0.4	-0.5
Philippines	7.6	5.5	6.0	6.2	0.0	0.0
Singapore	3.8	1.1	2.6	2.6	0.2	0.0
Thailand	2.5	1.9	2.3	2.7	-0.3	-0.3
Viet Nam	8.1	5.0	6.0	6.2	0.0	0.0
ASEAN	5.6	4.0	4.7	4.7	0.2	0.0

Note: *Indicates revisions made in December 2024 from the September 2024 forecasts; pp denotes as percentage point.

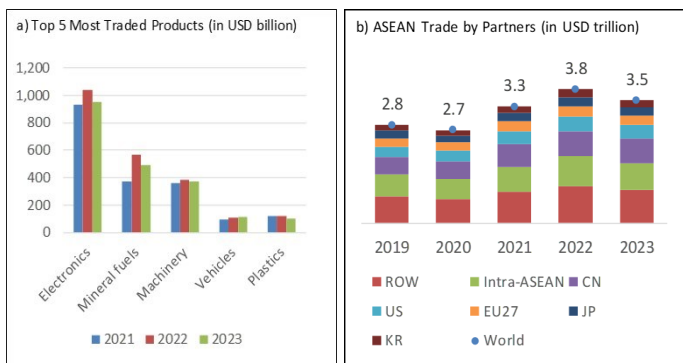
Source: ASEAN Secretariat (December 2024); Forecast are provided by Asian Development Bank (December 2024).

Direct Investment (FDI) inflows into ASEAN reached USD 234.0 billion in 2023, reflecting an increase of 2.1 per cent compared to 2022. Despite the modest growth, ASEAN's FDI performance underscores its continued resilience, particularly against the decline of 1.8 per cent in overall FDI globally during the same period. The Manufacturing sector experienced the most pronounced decline, plummeting by 30.7 per cent due to disruptions in global commodity markets. The five largest recipients of FDI inflows are the Financial and Insurance sector, accounting for 40.0 per cent, followed by Manufacturing at 22.0 per cent, Professional, Scientific, and Technical Activities at 9.0 per cent, Wholesale and Retail Trade at 8.4 per cent, and Transportation and Storage at 6.5 per cent.

1. McKinsey & Company (2024, September). Southeast Asia quarterly economic review: Holding up strongly. <https://www.mckinsey.com/featured-insights/future-of-asia/southeast-asia-quarterly-economic-review>



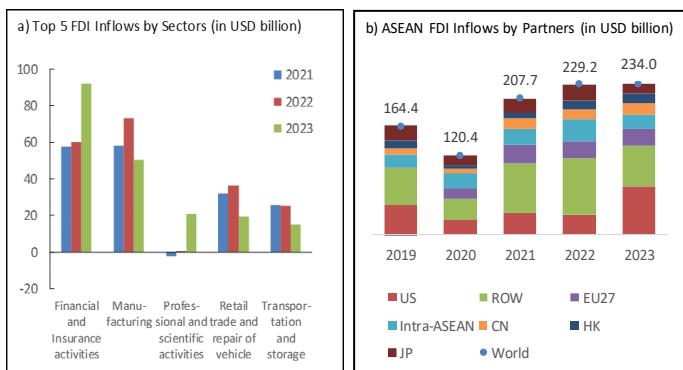
Figure 1. ASEAN Trade



Source: ASEAN Secretariat, ASEANStatsDataPortal, Trade in Goods (IMTS), 2024. Available at: <https://data.aseanstats.org/>

In 2023, the United States led as ASEAN's largest FDI source, contributing USD 74.4 billion, or 32.4 per cent of total inflows. The European Union followed with USD 24.9 billion (10.8 per cent), whilst intra-ASEAN investments reached USD 21.9 billion (9.5 per cent). China ranked fourth, providing USD 17.3 billion, or 7.5 per cent of ASEAN's total FDI inflows. FDI inflow into the region is expected to continue its upward trend in 2024, propelled by the relocation and restructuring of global supply chains.² Furthermore, evolving global FDI priorities, particularly the heightened focus on digital innovation and green technologies, are gaining momentum across the region.³

Figure 2. ASEAN Foreign Direct Investment



Source: ASEAN Secretariat, ASEANStatsDataPortal, Flows of Inward Foreign Direct Investment (FDI), 2024. Available at: <https://data.aseanstats.org/>

Risk. Although the prospects for ASEAN growth are optimistic, it is crucial to remain cognizant of the underlying challenges that may influence this trajectory. Factors such as continuous policy rate adjustments arising from inflation uncertainty in the U.S. have contributed to global currency instability, with potential spillover effects in ASEAN. The newly elected government of the US is expected to implement a blanket increase in tariffs on imports entering the US and impose additional trade barriers targeting China.⁴ Such measures are anticipated to affect ASEAN exports to the US adversely and may exacerbate China's overcapacity challenges. Consequently, this could result in a surplus of lower-cost goods being redirected to ASEAN markets, posing potential challenges for local producers. Moreover, an increase in tariffs in the US, coupled with potential retaliatory measures from trade partners, could trigger a resurgence of inflation both within the U.S. and globally.

Meanwhile, trade regulations like the EU's Carbon Border Adjustment Mechanism (CBAM) and the EU Deforestation Regulation (EUDR), necessitate ASEAN producers to expedite the adoption of sustainable practices. Geopolitical tensions and rising protectionism further challenge global stability, threatening disruptions in trade and financial systems that could impact ASEAN's integrated value chains.

ASEAN should also be vigilant regarding the subdued global growth rate of 3.2 per cent expected for 2024, which is below the pre-pandemic average of 3.7 per cent, largely due to tightened monetary policy, fiscal adjustments, and slowing consumption. A slower global growth rate could adversely affect the ASEAN economy. Additionally, the debt-to-GDP ratios, which surged during the pandemic, remain high, and large budget deficits continue to exacerbate the debt burden in many countries. Although ASEAN Member States' debt-to-GDP ratios remain manageable, they could benefit from remaining vigilant to global fiscal developments and exercising prudence in debt management.

Way Forward. To navigate these multifaceted challenges effectively, ASEAN must adopt a comprehensive strategic approach. This strategy should prioritise economic diversification, particularly in emerging sectors such as the green economy and digitalisation, to mitigate sectoral dependence and enhance resilience against external shocks. Deepening regional integration through enhanced trade linkages and investment facilitation will further strengthen the region's economic fabric and resilience. A steadfast commitment to multilateralism, exemplified by the continuous updating of regional trade agreements to reflect contemporary economic realities, will enhance ASEAN's collective capacity to address emerging economic challenges and promote shared prosperity. Moreover, advancing the region's sustainability agenda through initiatives such as circular economy transition, carbon neutrality, and harnessing the blue economy will be instrumental in driving ASEAN's development in the near future.

Moving forward, ASEAN should remain steadfast in its commitment to integrating sustainability across its economic initiatives within the post-2025 framework. To achieve this vision, it is imperative to intensify efforts in realising green value chains and circular economy supply networks, leveraging sustainable finance and investment, and promoting the vast potential of the blue economy. Additionally, building the capacity of businesses to facilitate green transitions and advancing sustainable sectoral cooperation in critical areas such as energy, minerals, agriculture, transport, and tourism will be essential. By prioritising these efforts, ASEAN will position itself as a resilient and competitive region on the global stage, well-equipped to navigate and overcome future economic challenges.

2 ADB. (2024). Asian Development Outlook (ADO), September 2024. <https://www.adb.org/sites/default/files/publication/995536/asian-development-outlook-september-2024.pdf>

3 ASEAN, UNCTAD & AUS4ASEAN. (2024). ASEAN Investment Report 2024. <https://asean.org/wp-content/uploads/2024/10/AIR2024-3.pdf>

4 Deutsche Bank. (2024, November 13). Trump trade back to the future? <https://flow.db.com/trade-finance/trump-trade-back-to-the-future#/>

Unlocking ASEAN's Potential: How the ASEAN Services Facilitation Framework is Driving Competitiveness and Growth

KAFI ADI PRASETYA and
NURUL IMLATI

Services and Investment
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Figure 3. ASFF Five Key Points



Facilitation of Talent Mobility. Talent is the lifeblood of the services sector. The ASFF promotes easier movement for service suppliers through transparent guidelines and expanded Mutual Recognition Arrangements (MRAs). By enabling skill recognition in emerging areas, the Framework supports a more connected and dynamic ASEAN services economy.

Single Digital Platform. Recognising the role of digitalisation, the ASFF advocates for a unified digital platform to streamline processes for service providers, minimising the need to navigate multiple authorities. This not only saves time, but also fosters innovation and efficiency.

Fostering Circular Economy. Recognising the importance of sustainability, the ASFF encourages the development of services that drive the circular economy. From promoting sustainable practices to fostering long-term growth, this pillar ensures that ASEAN's services economy is resilient and future-ready.

Stakeholders Engagement. Collaboration is key to success. The ASFF emphasises regular consultation and dialogue with the private sector and continuous evaluation of services measures to keep the region's services trade environment adaptive and responsive to evolving business needs.

Success Stories from ASEAN Member States

ASEAN Member States are already aligning their domestic efforts with ASFF principles. For instance, Indonesia introduced golden visa mechanism, allowing high-value investors easier entry and multiple access points, directly supporting talent mobility.⁶ Meanwhile, the Philippines is preparing to launch the Harmonised Online Freight Forwarding Accreditation (HOFFA)⁷, a single digital platform streamlining accreditation for both air and sea freight forwarders, thereby enhancing transparency and efficiency in line with ASFF's objectives.

The services sector is rapidly becoming the backbone of ASEAN economies, with its share of GDP reaching an impressive 53.9 per cent in 2022.⁵ This growth underscores a strategic opportunity for ASEAN Member States (AMS) to tap into the sector's vast potential for driving economic progress. At the heart of this effort lies the recently adopted ASEAN Services Facilitation Framework (ASFF), a milestone agreement unveiled at the Thirtieth ASEAN Economic Ministers (AEM) Retreat in March 2024. Whilst non-legally binding, it encourages AMS to adopt various measures that: (1) boost cross-border trade and investment in services; (2) ease domestic barriers to trade and investment; and (3) cultivate a favourable, predictable environment for international trade and investment.

The ASFF is built on five strategic pillars that aim to transform ASEAN's services economy:

Regulatory Transparency. Transparent and predictable trade-related regulations are essential for fostering trust and efficiency. The ASFF introduces a series of measures to enhance transparency in trade-related regulations, ensuring that domestic policies do not create unnecessary barriers for services providers. These include clear administration of measures, efficient authorisation processes, qualifications assessment, and independence of competent authorities. By supporting greater clarity and openness, the Framework facilitates an enabling environment for service providers to operate across the region.

5 ASEAN Statistical Highlights 2022-2023.

6 https://www.imigrasi.go.id/siaran_pers/2024/07/25/golden-visa-resmi-diluncurkan-presiden-ri-privilese-emas-bagi-warga-dunia-berkualitas

7 <http://www.edc.net.ph/introducing-hoffa-revolutionizing-freight-forwarder-accreditation/>

Transformative Impact on ASEAN Competitiveness

The potential benefits of the ASFF are immense. A study by the OECD indicates that the implementation of ASFF could lower average trade cost by 9 per cent of export values for ASEAN companies.⁸ The ASFF also resonates with the WTO's Services Domestic Regulation Joint Initiative that was concluded in 2021,⁹ which is expected to reduce global trade costs by over USD 125 billion.

Enhancing the competitiveness of its services sector, ASEAN is not only securing economic growth, but is also building economic resilience against external shocks such as pandemics, trade disruptions, and technological shifts.

A robust services sector can act as a stabilising force, ensuring inclusive and sustainable growth across the region.

The Path Forward

In sum, the ASEAN Services Facilitation Framework signals ASEAN's commitment to boosting services trade and investment and minimising barriers within the region. Through both collective and domestic actions, ASEAN is well-positioned to unlock new economic opportunities, foster innovation, and build a resilient and interconnected services economy. As ASEAN takes these steps, the message is clear: the region's future is bright, competitive, and ready to lead on the global stage.

UPDATES ON THE ASEAN ECONOMIC COMMUNITY

Under the ASEAN Chairmanship of Lao PDR in 2024, the AEC has pursued initiatives critical to the region's economic community building process. These initiatives further deepen ASEAN's economic integration and strengthen its resiliency amidst global uncertainties and challenges. ASEAN completed several major outputs this year that serve as important building blocks and, thereby, providing solid foundation for AEC as it moves forward into the next phase of its journey to 2045.

Lao PDR concluded its ASEAN Chairmanship under the theme "Enhancing Connectivity and Resilience," with the delivery of meaningful and significant outcomes in 2024.

- ◆ Aiming to strengthen its supply chain resilience and elevating its role in the global value chain, ASEAN, through the AEC, has further progressed its work to enhance the quality, responsiveness and future-readiness of its ASEAN Plus Free Trade Agreements (FTAs).
 - The 2nd Protocol of the ASEAN-Australia-New Zealand FTA that was fully signed in February 2024 is now in the process of ratification by Parties (i.e., ASEAN Member States (AMS), Australia and New Zealand). The entry into force of the Protocol, which is keenly awaited by the business community, is targeted before 2025. The Protocol, which upgrades the AANZFTA, elevates the quality of the agreement with new elements and features aimed to facilitate digital technology adoption, promote cooperation on trade and sustainable development, and increase transparency amongst others.



- ASEAN has achieved the substantial conclusion of the ASEAN-China Free Trade Agreement (ACFTA) 3.0 Upgrade in October 2024. With this milestone achievement, it is now doubling down efforts to conclude the negotiation as it looks forward to the signing of the ACFTA Upgrade in 2025. The ACFTA Upgrade will deepen existing commitments and deepen cooperation in new areas such as digital economy, green economy, supply chain connectivity, competition and consumer protection, and MSMEs.
- The Joint Review Study of the ASEAN-Korea Free Trade Agreement (AKFTA), which was completed this year, recommended and identified areas of improvement for the upgrade of the AKFTA. The Study paved the way for the decision to: (1) initiate the Joint Studies on Digital Trade and New Trade Agendas; and (2) prepare a Joint Scoping Paper for Upgrading the AKFTA.
- The RCEP Support Unit (RSU), which will provide the institutional support to implement the Regional Comprehensive Partnership Agreement (RCEP), was established this year with its full operationalisation of the Support Unit on 9 December 2024. The RSU will provide the necessary support to the RCEP Joint Committee and its subsidiary bodies.
- ◆ To further advance ASEAN's sustainability agenda and create the pathway for green transition of the region, significant progress has been made across AEC sectors supporting the implementation of ASEAN Strategy on Carbon Neutrality, the Framework on Circular Economy for AEC, and the ASEAN Framework on Blue Economy whilst, promoting greater inclusivity. The ASEAN

⁸ Presented at the ERIA-OECD Joint Workshop on Servicification in the Digital Era, titled "Services Facilitation Policies: Leveraging the ASEAN STRI to Support the ASFF," Jakarta, 21 October 2024.

⁹ WTO Services Domestic Regulations. https://www.wto.org/english/tratop_e/serv_e/jsdomreg_e.htm

Leaders issued the Declaration on Promoting Sustainable Agriculture calling upon AMS to align their policies, strategies, and investment with principles of sustainable agriculture by integrating these in their national plans. At the same time, ASEAN adopted the Action Plan on Sustainable Agriculture that will enhance regional cooperation on green transition in the sector. In addition, ASEAN also adopted the ASEAN Guidelines on Crop Burning to address the issue of open burning in agriculture from land preparation to post-harvest crop residue management by adopting an integrated approach and promoting circular agriculture in the region.

- In support of the ASEAN Framework of Sustainable Tourism Development in the Post-COVID Era, the ASEAN Ecotourism Standards for Activities, Facilities and Services has been endorsed, through which ASEAN aims to promote environmentally favourable approaches and modernise ecotourism practices to “authentic ecotourism” that embraces sustainability amongst activity operators, facility owners/managers and service providers.
 - ASEAN has established the ASEAN Task Force on Carbon Neutrality and ASEAN Coordinating Task Force on Blue Economy (ACTF-BE) to oversee the implementation of initiatives outlined in the ASEAN Strategy for Carbon Neutrality and the ASEAN Blue Economy Framework.
 - To promote sustainability and inclusive growth, ASEAN finalised the Reframed Strategies for Narrowing the Development Gap and Promoting Sustainable and Inclusive Growth which will serve as a basis for developing an action plan for the initiative for ASEAN integration to address development gap in the region.
- ◆ Recognising the critical importance of connectivity to regional integration, ASEAN has prioritised strengthening connectivity, yielding significant achievements across sectors. These efforts have been vital in facilitating the smooth flow of trade, investment, capital, and people both within the region and with ASEAN’s FTA partners.
- The ASEAN Leaders issued the ASEAN Declaration on Supply Chain, reaffirming their commitment to a comprehensive and integrated approach to enhance supply chain efficiency and resiliency in the region. The declaration emphasises creating an enabling environment to facilitate trade and investment, strengthening ASEAN’s position in the global value chain. Key priorities include expediting the review and upgrade of existing FTAs, adopting advanced technologies in supply chain operations, and promoting sustainability and circularity within the region’s value chain.
 - On transport, ASEAN continued efforts to advance air service liberalisation. Notably, ASEAN and New Zealand concluded the negotiations of the ASEAN-New Zealand Air Services Agreement, and are now looking forward to the signing the Agreement, following the completion of the legal scrubbing of Agreement, at the earliest opportunity in 2025. Additionally, ASEAN signed Protocol 5 of the Multilateral Agreement on the Full Liberalisation of Passenger Air Services on Own Stopover Rights between Any Points within the Territory of any other AMS.
- On energy, ASEAN has commenced the signing of the protocol that will extend and amend the Trans-ASEAN GAS Pipeline Memorandum Agreement, and has delivered the substantive final draft of the successor agreement to the ASEAN Power Grid, which is targeted for signing in 2025.
 - On trade, ASEAN successfully completed the first pathfinder pilot of the ASEAN Authorised Economic Operator Mutual Recognition Arrangement (AAMRA) amongst six AMS namely, Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. The second pathfinder pilot involving the four remaining AMS will commence in early 2025. This will pave the way for the full implementation of the ASEAN Agreement on Mutual Recognition Arrangements (AAMRA) across all ten Member States later in 2025.
 - The ASEAN Customs Transit System (ACTS), launched in November 2020, has streamlined customs procedures, significantly boosting cross-border trade amongst participating AMS (Cambodia, Lao PDR, Malaysia, Singapore, Thailand, and Viet Nam). Myanmar joined in March 2024, bringing the total to seven AMS. ACTS movement was reported to have risen by 1,557 per cent in 2024 (January-August) from 2023 of the same period. Furthermore, nine AMS are now doing the live exchange of the ASEAN Customs Declaration Document via the ASEAN Single Window, with Viet Nam as the ninth AMS to join.
- ◆ Efforts to support the region’s integration goals have been carried out including initiatives that promote greater economic integration and enhance the region’s competitiveness.
- On investment, AMS commenced the signing of the Fifth Protocol of the ASEAN Comprehensive Investment Agreement, which will operationalise the transition from a one-annex reservation list to a two-annex negative list. AMS are expediting the process to complete the signing within the year. ASEAN also developed and adopted the ASEAN Regional Investment Promotion Plan, which lays down a comprehensive plan for AMS to collaborate in the promotion of ASEAN as a single investment destination.
 - On standards and conformance, aiming to further reduce trade barriers, ASEAN signed the ASEAN Food Safety Regulatory Framework Agreement and the ASEAN Sectoral MRA for Building and Construction Materials. AMS are now in the process of ratifying both agreements.
 - On competition, ASEAN completed the negotiations of the ASEAN Framework Agreement on Competition, which will facilitate and enhance greater cooperation in addressing competition issues in the region.
 - On intellectual property, following the completion of the review of the current ASEAN Framework Agreement on IP Cooperation (AFAIPC), ASEAN agreed to pursue its upgrade to AFAIPC 2.0 with a view to advancing the IP ecosystem in ASEAN.

ASEAN MEMBER STATES: SELECTED KEY INDICATORS 2023



Economy

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
GDP at current price (USDb)	15.1	42.3	1,371.1	14.2	396.3	64.4	437.2	501.3	514.9	429.5	3,786.3
GDP per capita (USD)	33,508.2	2,476.8	4,919.7	1,879.6	11,864.1	1,144.3	3,906.6	84,713.9	7,351.4	4,282.1	5,554.9
Real GDP growth (%)	1.4	5.0	5.0	4.2	3.6	3.5	5.5	1.1	1.9	5.0	4.0
Inflation rate, average (%)	0.4	2.3	3.6	31.2	2.5	28.1	6.0	4.8	1.2	3.3	4.2



Trade

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Total trade in goods (USDb)	18.1	46.1	480.7	13.1	578.1	31.2	206.7	898.8	574.3	678.5	3,525.7
- Intra-ASEAN (%)	34.8	26.1	20.8	43.3	27.3	41.8	24.6	24.5	20.9	10.8	21.5
- Extra-ASEAN (%)	65.2	73.9	79.2	56.7	72.7	58.2	75.4	75.5	79.1	89.2	78.5
- Total exports (USDb)	10.8	21.7	258.9	6.0	312.6	14.8	72.9	475.9	284.6	353.1	1,811.2
- Total imports (USDb)	7.3	24.4	221.9	7.1	265.5	16.4	133.8	422.9	289.8	325.4	1,714.5
Total trade in services (USDb)	2.0	7.1	84.8	2.3	95.0	4.2	77.4	623.4	121.4	65.9	1,083.4
- Total exports (USDb)	0.3	4.2	33.4	1.3	42.8	2.5	48.3	328.0	56.7	36.7	554.2
- Total imports (USDb)	1.6	2.9	51.4	0.9	52.2	1.7	29.2	295.4	64.8	29.1	529.2



Investment

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Total FDI inward flows (USDm)	(56.9)	3,958.8	22,040.1	1,781.2	8,781.5	2,204.1	9,116.3	159,630.1	8,053.4	18,500.0	234,008.4
- Intra-ASEAN (USDm)	(35.6)	396.9	6,258.6	298.7	4,965.3	407.7	224.6	4,654.2	977.0	4,211.0	22,358.2
- Extra-ASEAN (USDm)	(21.3)	3,561.9	15,781.5	1,482.5	3,816.3	1,796.4	8,891.7	154,975.9	7,076.4	14,289.0	211,650.2



Socio Demography

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Population ('000)	450.5	17,091.5	278,696.2	7,545.8	33,379.5	56,243.0	111,912.4	5,917.6	65,083.8	100,309.2	676,629.5
Unemployment rate (%)	5.2	1.0	5.3	2.4	3.4	3.7	4.6	2.7	1.0	2.1	3.9
Life expectancy (year)	76.2	73.3	73.9	68.0	74.8	67.4	72.7	83.0	74.3	74.5	73.3



Connectivity

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Internet subscribers per 100 persons	99.0	56.7	78.2	66.2	97.7	99.8	75.2	94.3	89.5	81.6	81.5
Cellular phones per 100 persons	100.0	71.6	62.3	-	98.4	108.3	78.7	98.2	88.4	83.8	76.2
Visitor arrivals ('000)	133.6	5,453.2	11,677.8	3,417.6	20,141.8	1,284.7	5,450.6	13,610.4	28,150.0	12,602.4	101,922.3
- Share Intra-ASEAN to total visitor arrivals (%)	55.3	65.1	36.4	65.3	72.7	76.8	7.8	38.0	34.9	16.4	42.4
- Share Extra-ASEAN to total visitor arrivals (%)	44.7	34.9	63.6	4.7	27.3	23.2	92.2	62.0	65.1	83.6	57.6

Source: ASEAN Secretariat

Notes: - The latest available life expectancy data for Thailand is 2020, Philippines is 2015.

- Data for internet subscribers data for Brunei Darussalam, Cambodia, Lao PDR, Myanmar, Philippines are from 2021 ITU Database.

- Data for cellular phone data for Cambodia, Lao PDR, Philippines, Viet Nam are from ITU Database.

- ASEAN Inflation figure is from ADB: Asian Development Outlook, September 2024.

- Some values not sum to the total due to rounding.

ASEANstats data and its statistical publications can be accessed at: <http://www.aseanstats.org/>

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