

ASEAN ECONOMIC COMMUNITY SCORECARD

**CHARTING PROGRESS TOWARD
REGIONAL ECONOMIC INTEGRATION**
Phase I (2008-2009) and Phase II (2010-2011)



one vision
one identity
one community

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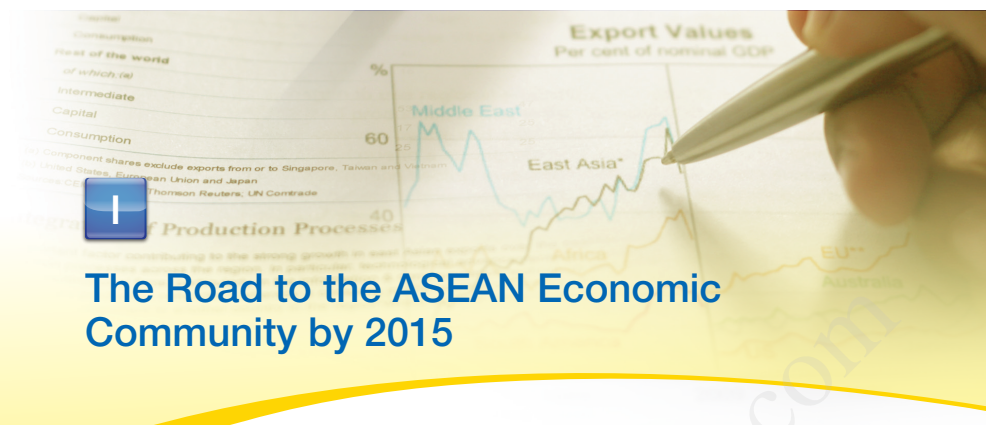


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The ASEAN Secretariat
Jakarta

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The Road to the ASEAN Economic Community by 2015

Signed by the ASEAN Leaders at the 13th ASEAN Summit on November 20, 2007, the ASEAN Economic Community (AEC) Blueprint lays the foundation for realising the goal of ASEAN as an integrated economic region by 2015. The AEC is characterised by four pillars: single market and production base, highly competitive economic region, a region of equitable economic development, and a region that is fully integrated with the global economy. In each of the four pillars are the various measures and initiatives that are being implemented to achieve the goals of the AEC.

To ensure a timely implementation of the AEC initiatives, ASEAN has established a monitoring mechanism called the AEC Scorecard. As a compliance tool, the AEC Scorecard reports the progress of implementing the various AEC measures, identifies implementation gaps and challenges, and tracks the realisation of the AEC by 2015.

The monitoring of the AEC involves an examination of the progress of implementation of the AEC commitments and identified measures at the regional and national levels. The AEC measures are classified as those measures that: (i) provide qualitative and quantitative indications of the ratification, adoption and transposition into domestic laws, regulations and administrative procedures of agreed obligations, and commitments within the prescribed timeframes

as specified in the AEC Blueprint; (ii) track implementation of agreements/ commitments and achievement of milestones in the AEC Strategic Schedule; and (iii) serve as statistical indicators on ASEAN Economic Community.

The monitoring of the AEC using the scorecard mechanism has started since 2008 and is reported regularly to the ASEAN Leaders. It is undertaken in four phases: 2008-2009; 2010-2011; 2012-2013; and 2014-2015. This publication provides an assessment of the AEC implementation including key accomplishments and challenges for the first two phases, covering the period 1 January 2008–31 December 2011.



Tracking the AEC: Milestones and Accomplishments

AEC Pillar I: Single Market and Production Base

Free Flow of Goods

In line with the entry into force of the ASEAN Trade in Goods Agreement (ATIGA) on May 17, 2010, the ASEAN Free Trade (AFTA) Council endorsed the ATIGA Full Tariff Reduction Schedule that will guide the tariff liberalisation until 2015. ASEAN Member States (AMSs) also issued the legal enactment to liberalise commodities scheduled for liberalisation. By end-2011, the average intra-tariff rate for ASEAN-6 countries (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) under the ATIGA is reduced to 0.05 percent from 3.64 percent in 2000.

Since the full establishment of ASEAN Free Trade Area (AFTA) in January 2010, greater focus was made on trade facilitation. The elimination of Non-Tariff Barriers (NTBs) under three tranches continued and gained momentum with the elimination of third tranche of NTBs by Malaysia and Thailand in 2011. Following up the current mechanism of voluntary submission of the list of NTBs, ASEAN is now in the process of stocktaking and updating the ASEAN Non-Tariff Measures (NTMs) database. Dialogues with industry associations, starting from three priority sectors, i.e., automotive, electronics and textiles to identify barriers from their perspective were initiated as well.

A Comprehensive Trade Facilitation Work Program was developed to simplify, harmonise and standardise trade and customs process, procedures and related information. More initiatives under trade facilitation were also undertaken such as the establishment of National Coordinating Committee on Trade Facilitation, development of ASEAN Trade Repository, and conduct of trade facilitation assessment at country level.

To ensure the effective implementation of AFTA, a number of measures were adopted by improving the ATIGA rules of origin (ROO). These include the development of new set of product criteria for ATIGA ROO, endorsement of the revised 2009 Product Specific Rules (PSRs), abolishment of the FOB Value in the ASEAN CO Form D and the implementation of the Pilot Project for a Regional Self-Certification System whereby four countries (Brunei Darussalam, Malaysia, Singapore, and Thailand) are participating. Another Memorandum of Understanding to implement the Second Pilot Project for Self-Certification is scheduled to be signed by the ASEAN Economic Ministers of the participating Member States in the second quarter of 2012. The self-certification will simplify documents needed for claiming preferential tariff treatment and improve utilization of tariff concessions offered under ATIGA.

Customs facilitation continued with the implementation of the ASEAN Customs Declaration Documents, ASEAN Custom Transit System and ASEAN Cargo Processing Model as well as the establishment of the pre-arrival clearance and cargo release. The ASEAN Harmonised Tariff Nomenclature (AHTN) 2012 was also finalised providing a single harmonized tariff for firms doing business in ASEAN. Seven Member States including Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand and Viet Nam have committed to participate in the ASEAN Single Window (ASW) Pilot Project. To support the implementation of the pilot project, key priorities are being focused on the implementation of ASW regional architecture design and development of the legal framework.

In line with the development of sectoral Mutual Recognition Arrangements (MRAs) and harmonisation of standards and regulatory regimes, ASEAN has developed the MRA on Good Manufacturing Practice (GMP) of Inspection of Manufactures of Medicinal Products and implemented the MRA for Electrical and Electronic equipment (ASEAN EE MRA). A number of conformity assessment bodies have been listed and recognised under the ASEAN EE MRA. ASEAN has also harmonised various standards under the priority integration sectors as well as several regulations. ASEAN has transposed the ASEAN Cosmetic Directive (ACAM) into national legislation and put in place the notification system for placement of cosmetic products. ASEAN will be implementing the ASEAN Harmonized Electric and Electronic Equipment Regulatory Regime (AHEEERR) to ensure the free flow of safe and quality EEE products in the region once the AHEEERR is ratified by all Member States and has been transposed into national legislation.

Free Flow of Services and Skilled Labor

Under the 7th Package of the ASEAN Framework Agreement in Services (AFAS), ASEAN has committed to at least 65 services sub-sectors for liberalisation. Services commitments for the 8th AFAS package - with more services sub-sectors and higher thresholds for liberalisation being targeted - are now in the final process of conclusion.

To support greater mobility of qualified professionals in the region, the MRAs for engineers and architects have been implemented, while work is underway to effectively operationalise the other professional MRAs (nursing, medical, dental, accountancy, and surveying). To facilitate the movement of persons engaged in trade and investment, the ASEAN Agreement on Movement of Natural Persons (MNP) has been drafted and is expected to be finalised in 2012.

Free Flow of Investment

Toward the creation of a free and more open investment regime in the region, Member States have ratified the ASEAN Comprehensive Investment Agreement (ACIA). The ACIA Schedule (the so-called “reservation lists”) has been developed and is expected to be finalized in the first quarter of 2012. In line with the objective of ACIA, ASEAN has developed a modality to further eliminate investment restrictions and impediments and improve investment regulations. In addition, ASEAN has intensified efforts on investment promotion and facilitation, through such initiatives as the linking of investment agencies’ websites, development and dissemination of investment publications, and conduct of investment roadshows and seminars.

Freer Flow of Capital

Efforts to liberalise and integrate the financial markets through such initiatives as financial services liberalisation, capital market development, and capital account liberalisation have been further strengthened to ensure that financial and capital flows support trade integration. The fifth round of financial services liberalisation based on new approach (“pre-agreed flexibilities”) was completed and the sixth round of negotiations was launched in May 2011. Member States have also completed the assessment and identification of rules for freer flows of FDI and portfolio investments, and countries have started to consider amending the regulatory regime, if needed, to support changes in rules.

On capital market development, efforts to deepen the equities markets were strengthened and the new working committees on dispute resolution and enforcement, and taxation were established. The marketing and branding campaign for the ASEAN Exchanges initiative which promotes ASEAN as an asset class was launched in May 2011 and an ASEAN Bond Market Development Scorecard was developed. In line with the development of local currency bond markets, the Credit Guarantee and Investment Facility (CGIF) was

set up in October 2011, while the agreement for the US\$485.2 million ASEAN Infrastructure Fund (AIF) was signed in September 2011 to mobilise funds for infrastructure financing in the region.

Priority Integration Sectors (PIS)

Toward the integration of 12 PIS (agro-based goods, air transport, automotive products, e-ASEAN, electronics and electrical goods, fisheries, health care services, rubber-based goods, textiles and clothing, tourism, logistics services and wood-based products), new initiatives were undertaken, including the development of ASEAN Tourism Strategic Plan (2011-2015), ASEAN Automotive Industry Strategy, and MRAs for telecommunications equipment. Most of the horizontal measures of 12 PIS have been implemented while the implementation of PIS specific measures is still on going.

Food, Agriculture and Forestry

With the establishment of the ASEAN Integrated Food Security (AIFS) Framework and its medium-term Strategic Plan of Action on ASEAN Food Security, food security remained a priority for ASEAN. Toward this end, reference diagnostic laboratories and phyto-sanitary guidelines for the importation of rice-milled products were implemented.

Other measures were implemented focusing on regulatory harmonisation of agricultural products to ensure the free flow of safe and qualified products and improve competitiveness in the international markets, as well as the development of national good agriculture practices. In addition, ASEAN has also pursued new cooperation initiatives with external partners under the ASEAN Plus Three process to promote food security including the ASEAN Plus Three Emergency Rice Reserve (APTERR) Agreement and the ASEAN Plus Three Comprehensive Strategy on Food Security and Bioenergy Development.

Table 1

Single Market and Production Base Scorecard

Key Areas	Phase I (2008-2009)		Phase II (2010-2011)		Total Measures	
	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented
Free Flow of Goods	9	0	23	24	32	24
Free Flow of Services	10	3	13	17	23	20
Free Flow of Investment	5	1	5	8	10	9
Free Flow of Capital	1	0	5	0	6	0
Free Flow of Skilled Labor	-	-	1	0	1	0
Priority Integration Sectors	28	0	1	0	29	0
Food, Agriculture and Forestry	8	0	5	6	13	6
Total Number of Measures	61	4	53	55	114	59
Implementation Rate*	93.8%		49.1%		65.9%	

* Implementation rate is calculated as the ratio of measures that are fully implemented to total number of measures targeted

(-) Indicates no measures targeted for this phase

ASEAN has implemented 65.9% of measures under Pillar I, with significant achievements in free flow of skilled labor and capital, and integration of priority sectors.

AEC Pillar II: Competitive Economic Region

Competition Policy

To enhance the competitiveness of the ASEAN region, several initiatives for competition policy were set up, including the formation of ASEAN Experts Group on Competition. The ASEAN Regional Guidelines on Competition Policy and the Handbook on Competition Policy and Laws in ASEAN for Business were launched to promote healthy competition and fair business practices in

the region. The Guidelines provide a good reference on country experiences and best practices at the international level, while the Handbook provides basic notions of substantive and procedural competition law applicable in the ASEAN Member States.

Consumer Protection

In line with the mandate of the newly established ASEAN Committee on Consumer Protection (ACCP), ASEAN endorsed the Guidelines for Notification and Information Exchange on Recalled/Banned Products in October 2011. Initial work was undertaken to develop the “Cross Border Redress Website” that will serve as the main reference point for matters pertaining to consumer redress. Dissemination of the ASEAN Consumer Complaints leaflet is also underway to increase awareness of visitors/tourists on the rights of consumers in ASEAN.

Intellectual Property Rights

The development of intellectual property (IP) and IP rights (IPRs) is crucial to build an innovative and competitive economic region. As such ASEAN has strengthened the IP institution and carried out new initiatives. In August 2011, the ASEAN IPR Action Plan 2011-2015 was endorsed. ASEAN also collaborated with Dialogues Partners and international organisations to enhance capacity building of the ASEAN Member States in IP area.

Infrastructure Development

Regional efforts to enhance transport facilitation and transport liberalisation were further strengthened with the successful adoption of Brunei Action Plan in 2010. The Plan contains strategic actions to be implemented in 2011-2015 toward the realisation of AEC as well as new priorities under the Master Plan on ASEAN Connectivity. The signing of ASEAN Multilateral Agreement on the Full Liberalisation of Passenger Air Services and its protocol also provided a

framework for the full realisation of ASEAN Open Skies. To facilitate intra-ASEAN shipping services without substantial restrictions to ASEAN shipping services, the Strategy Toward the Integration of ASEAN Single Shipping Market (ASSM) was developed to serve as basic reference for developing ASSM in the future. ASEAN also completed the stocktaking of road inventory of all national route components of the ASEAN Highway Network (AHN) to strengthen the ASEAN regional infrastructure.

On Information and Communication Technology (ICT), the ASEAN ICT Master Plan 2015 was adopted in January 2011 to set common direction and actions in driving and stimulating the right ICT development in the region. Among the key initiatives are the ASEAN Broadband Corridor and ASEAN Internet Exchange. In addition, ASEAN has also completed the study on “Adoption of ASEAN Technical Architecture Framework for e-Commerce Interoperability”.

Driven by the ASEAN Plan of Action on Energy Cooperation (APAEC) 2010-2015, the ASEAN energy cooperation has been steadily advancing the region’s concerted efforts to address energy security while playing a visible role in the global efforts to address climate change. The current APAEC is the third cycle of this regional energy cooperation plan of action and is being implemented for the period of 2010 until 2015. It consists of seven key programme areas of cooperation which aim to enhance energy security, accessibility and sustainability for the ASEAN region, namely: (i) ASEAN Power Grid; (ii) Trans-ASEAN Gas Pipeline; (iii) Coal and Clean Technology; (iv) Renewable Energy; (v) Energy Efficiency and Conservation; (vi) Regional Energy Policy and Planning; and (vii) Civilian Nuclear Energy.

Table 2

Competitive Economic Region Scorecard

Key Areas	Phase I (2008-2009)		Phase II (2010-2011)		Total Measures	
	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented
Competition Policy	2	0	2	0	4	0
Consumer Protection	2	0	5	4	7	4
Intellectual Property Rights	-	-	4	1	4	1
Transport	15	10	6	8	21	18
Energy	0	0	2	1	2	1
Mineral	1	0	7	0	8	0
ICT	2	0	4	0	6	0
Taxation	-	-	0	1	0	1
E-commerce	-	-	1	0	1	0
Total Number of Measures	22	10	31	15	53	25
Implementation Rate*	68.7%		67.4%		67.9%	

* Implementation rate is calculated as the ratio of measures that are fully implemented to total number of measures targeted
 (-) Indicates no measures targeted for this phase

Around 67.9% of measures under Pillar II were implemented as at end-December 2011, with notable progress in the areas of competition policy, IPR, and regional cooperation in minerals and ICT.

AEC Pillar III: Equitable Economic Development

Development of Small and Medium Enterprises (SMEs)

To further enhance the competitiveness and resilience of SMEs toward a single market and production base, ASEAN implemented the Strategic Action Plan for the ASEAN SME Development (2010-2015). Endorsed in August 2010, the Plan gives guidance on the current flagship projects and other SMEs initiatives in the region. The ASEAN SME Advisory Board was established to provide

strategic policy inputs on SME development to the Ministers and guidance on high priority matters to the ASEAN SME Working Group (SMEWG). Recognising the importance of financing facilities for SMEs, ASEAN started to work on the development of the Conceptual Framework for Regional SME Development Fund.

Two projects under the Strategic Action Plan have recently been completed, namely the ASEAN Multi-media Self-reliant System Toolkit Package, and the Feasibility Study of the SME Service Center. The Multi-media Toolkit project seeks to develop a quality culture in SMEs and create awareness on the necessity of providing high quality products or services to customers. The Toolkit follows the quality system (control, quality and cost) based on the ISO 9000:2008. The Feasibility Study of the ASEAN SME Service Center examines best practices in integrating SME Service Centers, disseminating services to SMEs, and providing services to SMEs at the local, national and regional levels. The Study has proposed two sustainable frameworks to integrate the ASEAN SME Service Centers.

In line with the promotion initiatives under the Strategic Action Plan, the “Directory of Outstanding ASEAN SMEs 2011”, which lists more than 800 top SMEs from all AMSs, was launched on the sidelines of the ASEAN Business and Investment Summit (ASEAN BIS). The Directory seeks to promote linkages of SMEs to the regional and global supply chains and production networks. The Directory has also been uploaded into the ASEAN Website, and can be accessed via the following links: <http://www.asean.org/20440.htm> and <http://www.asean.org/23238.htm>. The ASEAN SMEWG is working toward the establishment of the “Directory of ASEAN Innovative SMEs” by 2012, to encourage innovation and creativity among ASEAN SMEs.

Initiative for ASEAN Integration (IAI)

Toward the narrowing of development gaps, new modalities and approaches have been explored to ensure that the benefits of the AEC trickle down to the smaller ASEAN economies (Cambodia, Lao PDR, Myanmar and Viet Nam or CLMV) and sub-regions (such as the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area and Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)). Built-in agenda for CLMV countries were gradually being included in the sector work programs, and sub-regional initiatives aligned with the AEC Blueprint. The new IAI Strategic Framework and Work Plan I and II were endorsed to facilitate the implementation of CLMV projects.

In ensuring a sustainable ASEAN Economic Community beyond 2015, as well as in narrowing the development gaps between and within ASEAN Member States, Leaders at the 19th ASEAN Summit have endorsed the ASEAN Framework on Equitable Economic Development (EED) as a new initiative under this pillar.

Table 3

Equitable Economic Development Scorecard

Key Areas	Phase I (2008-2009)		Phase II (2010-2011)		Total Measures	
	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented
SME Development	1	0	4	3	5	3
Initiative for ASEAN Integration (IAI)	2	0	1	1	3	1
Total Number of Measures	3	0	5	4	8	4
Implementation Rate*	100%		55.5%		66.7%	

* Implementation rate is calculated as the ratio of measures that are fully implemented to total number of measures targeted

Pillar III has so far achieved 66.7% of targeted measures, as the implementation of various activities in SME development and Initiative for ASEAN Integration (IAI) remained generally on track.

AEC Pillar IV: Integration into the Global Economy

External Economic Relations

ASEAN continued to support the creation of ASEAN Plus One FTAs. ASEAN has concluded and completed the ratification of five free trade agreements with Australia and New Zealand, China, India, Japan, and Republic of Korea. ASEAN-India and ASEAN-Japan Services and Investment Agreements are currently still under negotiations. Much headway was made in external economic cooperation as shown in the table below.

Table 4

Status of the Ratification of ASEAN's Plus One FTAs

Party	ACFTA			AKFTA			AJCEP	AANZFTA	AIFTA
	TIG	TIS	IA	TIG	TIS	IA			TIG
Brunei Darussalam	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cambodia	✓	✓	✓	✓	✓	✓	✓	✓	✓
Indonesia	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lao PDR	✓	✓	✓	✓	✓	✓	✓	✓	✓
Malaysia	✓	✓	✓	✓	✓	✓	✓	✓	✓
Myanmar	✓	✓	✓	✓	✓	✓	✓	✓	✓
Philippines	✓	✓	✓	✓	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thailand	✓	✓	✓	✓	✓	✓	✓	✓	✓
Viet Nam	✓	✓	✓	✓	✓	✓	✓	✓	✓

Notes: ACFTA = ASEAN-China Free Trade Agreement; AKFTA = ASEAN-Korea Free Trade Agreement; AJCEP = ASEAN-Japan Comprehensive Economic Partnership; AANZFTA = ASEAN-Australia-New Zealand Free Trade Agreement; AIFTA = ASEAN-India Free Trade Agreement; TIG = Trade in Goods; TIS = Trade in Services; IA = Investment Agreement.

Table 5

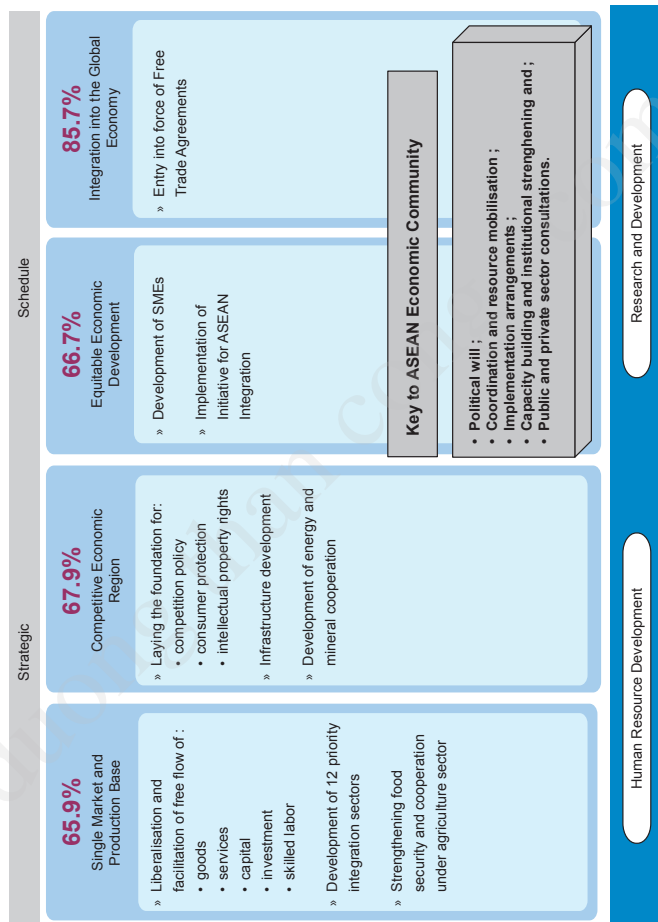
Integration into the Global Economy Scorecard

Key Areas	Phase I (2008-2009)		Phase II (2010-2011)		Total Measures	
	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented	Fully Implemented	Not Fully Implemented
External Economic Relations	5	0	7	2	12	2
Total Number of Measures	5	0	7	2	12	2
Implementation Rate*	100%		77.8%		85.7%	

Toward the integration into the global economy, ASEAN has achieved 85.7% of identified measures, including the ratification of various Free Trade Agreements with China, Japan, Republic of Korea, Australia, New Zealand, and India.

Implementation of ASEAN Economic Community Scorecard under Phase I and Phase II

67.5% of targets achieved under Phase I and II



Note: As of December 2011, the implementation rates under Phase I and Phase II are 86.7% and 55.8%, respectively.



Realising the AEC: Issues and Challenges

ASEAN has made considerable progress in implementing the AEC. As of end-December 2011, it has completed 187 measures (67.5%) out of 277 measures due for the two phases under review (2008-2011). However, while recognising the achievement to date, some measures due for implementation have not been fully implemented (Annex 1). This short fall mainly results from the delays in ratification of signed ASEAN-wide agreements and their alignment into national domestic laws as well as delays in implementation of specific initiatives.

Thus, an immediate priority is to improve the implementation of AEC Scorecard. As such it is crucial that efforts are intensified both at the country and regional levels to ensure that the implementation gaps are being addressed, so that the 2015 timelines are met. This calls for increased commitment by ASEAN Member States.

At a country level, enhanced implementation of initiatives is needed. A number of in-country measures remain to be implemented and result in delays in realising regional measures (Annex 2). It can be recalled that under the AEC scorecard, a regional measure will only be considered implemented if all the ten ASEAN Member States are able to implement the measures in their individual jurisdiction. Hence, failure of one country to move and implement the measures may result in non-implementation of regional measures.

There is a need to address the legislative and regulatory limitations that impede the implementation of intra- and extra-ASEAN commitments. The ability of Member States to ratify economic agreements is an important issue as it affects the overall implementation rate of the AEC Blueprint (Annex 3). The ASEAN Member States have also been tasked to strengthen their respective national coordinating agency to effectively coordinate implementation across various ministries and agencies.

Regular private sector engagement should also be undertaken to assess the impact and effectiveness of the policies and measures being implemented. Greater private sector engagement is needed to enhance the AEC integration process through feedback from the market participants and to address the impediments that prevent the free flow of goods, services, investments, and capital.

Finally, monitoring the progress of the AEC should be strengthened and should remain a priority. An effective and well-functioning mechanism to monitor the outcomes, identify issues and address implementation gaps is necessary to ensure the achievement of the AEC targets by 2015. There is a need to further strengthen the monitoring capacity of ASEAN Secretariat and provide technical assistance to Member States to enhance their implementation capacity.

IV ANNEXES

Annex 1. Outstanding Measures under Phase I (2008-2009) and Phase II (2010-2011)

Phase I (2008-2009)

	Measures to be Implemented	Actions Required
1	Completion of the 7th package of trade in services liberalisation commitments	<ul style="list-style-type: none"> • Schedule PIS sectors that meet the required higher foreign equity participation levels in subsequent AFAS package
2	Entry into Force of the ASEAN Comprehensive Investment Agreement (ACIA)	<ul style="list-style-type: none"> • Endorse the ACIA Reservation Lists
3	Entry into Force of the Protocols 1, 2, 7 and 9 of ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT)	<ul style="list-style-type: none"> • Finalise and ratify protocols
4	Entry into Force of the Agreement and its Protocols 1 and 2 of ASEAN Multilateral Agreement on the Full Liberalisation of Air Freight Services (MAAFS)	<ul style="list-style-type: none"> • Expedite ratification of the agreement and its protocols

Phase II (2010-2011)

	Measures to be Implemented	Actions Required
1	Trade Facilitation	<ul style="list-style-type: none"> • Conduct scheduled study and assessment related with implementation of ROO and country assessment on trade facilitation
2	Customs Facilitation and Integration	<ul style="list-style-type: none"> • Modernise tariff classification, customs valuation, and customs techniques (e.i. Implement ASEAN Cargo Processing Model, ASEAN Customs Declaration Documents, Pre-arrival Clearance for customs clearance and cargo release) • Establish ASEAN Customs Transit System • Promote mutual assistance on customs • Implement measures under ASEAN Single Window
3	Standards and Conformance	<ul style="list-style-type: none"> • Finalise the MRA for Prepared Food Stuff and Automotive • Finalise the ASEAN Medical Device Directive Agreement • Endorse the ASEAN Regulatory Framework on Traditional Medicines and Health Supplement and transpose into national legislation • Harmonise ASEAN Harmonized Electricity and Electronic Equipment Regulatory Regime to the listed standards and to complete agreed conformity assessment procedures for regulated EEE
4	Services Liberalisation	<ul style="list-style-type: none"> • Finalise commitments under 8th Package and schedule the sectors to be liberalised up to 2012 • Expedite ratification of the 5th Package of Commitments on Financial Services • Finalise negotiation of Movement of Natural Persons (MNP) Agreement
5	Investment Liberalisation, Promotion and Facilitation	<ul style="list-style-type: none"> • Subsume all measures under the ASEAN Investment Agreement (AIA) Temporary Exclusion Lists and Sensitive Lists under the ASEAN Comprehensive Investment Agreement (ACIA) upon entry into force of the ACIA • Conduct activities in support of investment promotion and facilitation as scheduled

	Measures to be Implemented	Actions Required
6	Food, Agriculture and Forestry Cooperation	<ul style="list-style-type: none"> • Harmonise Quarantine and Inspection Procedures • Align the National GAP programme with ASEAN GAP • Develop Guidelines on Compartmentalisation of Livestock Production
7	Consumer Protection	<ul style="list-style-type: none"> • Develop a comprehensive website on the ASEAN Cross Border Consumer Redress
8	Infrastructure Development	<ul style="list-style-type: none"> • Enact the necessary domestic legislations to effect the ASEAN Framework Agreement on Multimodal Transport • Conclude Protocol 6 (railway borders and interchange Stations) under the ASEAN Framework Agreement on Facilitation of Goods in Transit • Ratify the ASEAN Framework Agreement on Inter-State Transport • Ratify the ASEAN Multilateral Agreement on Full Liberalisation of Passenger Air Services • Complete the activities scheduled under ASEAN Single Shipping Market • Implement the ASEAN Interconnection Projects
9	Taxation	<ul style="list-style-type: none"> • Complete the Network of Bilateral Agreements on Avoidance of Double Taxation among all AMSs
10	Small and Medium Enterprises (SMEs) Development	<ul style="list-style-type: none"> • Implement the common Curriculum for Entrepreneurship in all ASEAN Member States • Establish a comprehensive SME Service Centre at national level • Establish the SME Financial Facilities at national level
11	Initiative for ASEAN Integration	<ul style="list-style-type: none"> • Complete the list of proposed activities under IAI
12	Development of Free Trade Agreements	<ul style="list-style-type: none"> • Finalise ASEAN-India services and investment negotiations • Implement the ASEAN-Japan Comprehensive Economic Partnership by all Member States

Annex 2. Implementation of AEC Scorecard by Country under Phase I (2008-2009) and Phase II (2010-2011)

Phase I (2008-2009)

	Free Flow of Goods	Free Flow of Services	Free Flow of Investment	Free Flow of Capital	Priority Integration Sectors Food, Agriculture and Forestry	Competition Policy	Consumer Protection	Transport	Mineral	ICT	SME Development Initiative for ASEAN Integration (AI)	External Economic Relations
Brunei Darussalam	●	●	●	●	●	●	●	●	●	●	●	●
Cambodia	●	●	●	●	●	●	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●	●	●	●	●	●	●
Lao PDR	●	●	●	●	●	●	●	●	●	●	●	●
Malaysia	●	●	●	●	●	●	●	●	●	●	●	●
Myanmar	●	●	●	●	●	●	●	●	●	●	●	●
Philippines	●	●	●	●	●	●	●	●	●	●	●	●
Singapore	●	●	●	●	●	●	●	●	●	●	●	●
Thailand	●	●	●	●	●	●	●	●	●	●	●	●
Viet Nam	●	●	●	●	●	●	●	●	●	●	●	●
ASEAN	●	●	●	●	●	●	●	●	●	●	●	●

- Indicates that all measures targeted in this area were implemented
- Indicates that more than half of measures targeted in this area were implemented
- Indicates that less than half of measures targeted in this area were implemented

Phase II (2010-2011)

	Free Flow of Goods	Free Flow of Services	Free Flow of Investment	Free Flow of Capital	Free Flow of Skilled Labor	Priority Integration Sectors	Food, Agriculture and Forestry	Competition Policy	Consumer Protection	Intellectual Property Rights	Transport	Energy	Mineral	ICT	Taxation	E-commerce	SME Development	Initiative for ASEAN Integration (IAI)	External Economic Relations
Brunei Darussalam	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Cambodia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Lao PDR	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Malaysia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Myanmar	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Philippines	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Singapore	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Thailand	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Viet Nam	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
ASEAN	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● Indicates that all measures targeted in this area were implemented

● Indicates that more than half of measures targeted in this area were implemented

● Indicates that less than half of measures targeted in this area were implemented

Phase I and II (2008-2011)

	Free Flow of Goods	Free Flow of Services	Free Flow of Investment	Free Flow of Capital	Free Flow of Skilled Labor	Priority Integration Sectors	Food, Agriculture and Forestry	Competition Policy	Consumer Protection	Intellectual Property Rights	Transport	Energy	Mineral	ICT	Taxation	E-commerce	SME Development	Initiative for ASEAN Integration (IAI)	External Economic Relations
Brunei Darussalam	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Cambodia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Lao PDR	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Malaysia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Myanmar	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Philippines	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Singapore	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Thailand	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Viet Nam	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
ASEAN	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

- Indicates that all measures targeted in this area were implemented
- Indicates that more than half of measures targeted in this area were implemented
- Indicates that less than half of measures targeted in this area were implemented

Annex 3. Status of AEC Legal Instruments

The number of AEC legal instruments signed has grown considerably over time (Figure 1). Currently, there are 184 signed legal instruments under AEC, of which 137 (74.5%) have already been entered into force and the remaining are still awaiting ratification by Member States. Most of the legal instruments signed and entered into force are concentrated under Pillar 1 (Single Market and Production Base). The gap between the number of signed legal instruments and those that have entered into force is expected to be reduced in the future in line with the increasing willingness and commitment of Member States to realise the ASEAN Economic Community by 2015.

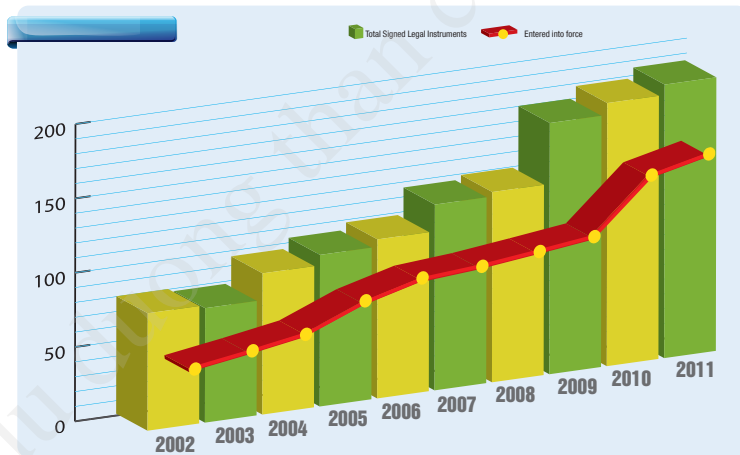


Figure 1. Number of Signed AEC Legal Instruments

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