



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MEDIA RELEASE

SEMINAR ON ASEAN ECONOMIC COMMUNITY (AEC) ***Spreading Your Wings in ASEAN: Land of Opportunities***

26 May 2017

The year 2017 started with a high prospect for ASEAN. After eight years of preparation, ASEAN leaders launched the ambitious ASEAN Economic Community (AEC) in 2015, a blueprint aimed at creating a single, seamless production base and consumer market. The work however does not stop there, with ASEAN developing a 10 year plan; the AEC Blueprint 2025 as a continuous effort and commitment to further deepen the economic integration.

2. This year also marks the 50th anniversary of the ASEAN carrying the theme of “Partnering for Change, Engaging the World.” Since its establishment, ASEAN has evolved into one of the world’s most dynamic regions with accelerated economic performance in recent years. That has been attributable to ASEAN’s economic co-operation and integration initiatives taking concrete shape over the past two decades. The economic development of ASEAN, which now has a population of 630 million people, has grown rapidly registered a strong pace of Gross Domestic Product (GDP) at 4.7% in 2016. For 2017, GDP growth rate is projected at 4.8% respectively. With a record of US\$-2.55 trillion GDP in 2016, ASEAN is the third largest economy in Asia and the sixth largest economy in the world. ASEAN aspires to becoming the fourth largest economy in the world by 2030. The AEC has not only provided a sound basis for ASEAN rapid growth but also creating opportunities and diversities.

3. Despite the promising growth and liberalisation of tariffs among the ASEAN Member States, intra-trade ASEAN remains stagnant at around 20 – 25%. The major impediment in achieving higher intra-trade is behind the border measures or non-tariff measures/barriers (NTMs/NTBs) within ASEAN. YAB Dato' Sri Mohd Najib bin Tun Abdul Razak, Prime Minister of Malaysia at the 30th ASEAN Summit cited that to achieve the US\$9.2 trillion GDP by 2050, there has to be a 20% reduction in fixed trade costs. In this regard, ASEAN is currently working towards implementing various trade facilitative measures, such as national single windows seamlessly linked to the ASEAN Single Window as well as harmonisation of standards and customs procedures. In addition, Malaysia is taking the lead the other ASEAN Member States in identifying appropriate mechanism to address the NTMs/NTBs issue in ASEAN with a view to reduce and subsequently eliminate all barriers to trade.

4. To further enhance the growth in this region, at the recent RCEP Intersessional Ministerial Meeting held from 21-22 May 2017 in Hanoi, Viet Nam, ASEAN and its Dialogue Partners made commitment to work towards substantial completion of RCEP negotiation by end of this year. The RCEP when concluded would create one of the world's largest free-trade areas. The RCEP countries make up close to 50% of the global population, about 30% of the global GDP and 29% of global trade. With all these development, Malaysian entrepreneurs indeed stand to gain more opportunities and greater market access abroad.

BENEFITS OF AEC FOR MALAYSIA

5. To commemorate the golden celebration of ASEAN@50 this year, MITI as Malaysia's national coordinator for the economic pillar, will also be organising various programmes and activities. Today's seminar on AEC among many, serves as another platform for MITI to showcase and provide a solid testimonial to Malaysians at large, the benefits as well as opportunities drawn from the ASEAN regional integration.

6. Seminar aims at raising awareness about the opportunities in ASEAN under the AEC. Taking into account limited presence of Malaysian entrepreneurs abroad, the Seminar was exclusively designed to inspire Malaysian entrepreneurs, especially among the Micro, Small and Medium Enterprises (MSMEs), to explore and expand their businesses into the ASEAN market. In this aspect, three identified speakers (Malaysian entrepreneurs based in ASEAN or doing business with ASEAN) were brought to the seminar to share first-hand information as living testimonials to the audience. The three speakers presented their case at length and highlighted their personal experience, particularly on expectations, domestic regulations and in addition, socio-cultural details to observe, gained throughout their years of business involvement in ASEAN.

7. The speakers were invited based on their successful ventures in ASEAN.

(i) Speaker 1: Ms. Rina Neoh (based in Singapore)

Founding Partner of Mercatus Capital

(ii) Speaker 2: YM Ungku Raad Azeraai (based in Manila)

Founding Partner Naah!im Bakery

(iii) Speaker 3: Arvin Menon (based in Selangor)

Managing Director, VG Offshore Containers International

8. Minister of International Trade and Industry, Dato' Sri Mustapa Mohamed said, "ASEAN offers vast opportunities to be explored by the Malaysian business community and entrepreneurs. Our companies are big in ASEAN, but in line with our efforts to foster closer economic integration within the region, we need more SMEs to venture out into other ASEAN markets. This is to ensure that the benefits from an economically integrated ASEAN are more inclusive".

9. Under the following theme, “*Spreading Your Wings in ASEAN: Land of Opportunities*”, the composition of audience was made up of mostly MSMEs, representatives from the Malaysian Association of ASEAN Young Entrepreneurs Association (MAAYE) and students from related fields.

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