

ASEAN Economic Community (AEC)

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Establishment of the ASEAN Community: 31st DECEMBER 2015



“the coming into being of the ASEAN Community does not mean that we have arrived at the end of the region – building process” — Prime Minister Dato’ Sri Najib Tun Razak, 22 November 2015

ASEAN Vision

“A **concert** of Southeast Asian nations, **outward looking**, living in **peace, stability** and **prosperity, bonded** together in **partnership** in dynamic **development** and in a **community** of caring societies.”



Why AEC is Important ?

ASEAN doing Business Index

Economy	Ease of Doing Business Ranking	Starting a Business
Brunei Darussalam	84	74
Cambodia	127	180
Indonesia	109	173
Lao PDR	134	153
Malaysia	18	14
Myanmar	167	160
Philippines	103	165
Singapore	1	10
Thailand	49	96
Viet Nam	90	119

Source: Doing Business 2016 Report (World Bank)

AEC will lead to streamlining of processes, rules and regulations in the region

ASEAN Economic Community (AEC)

AEC Timeline



The journey towards AEC Building:

Contribution to well-being of the people

Strengthen the economic development

Enhance the extra- and intra-ASEAN trade and investment

Benefits of Integration

- **The objectives of integration:**
 - enlarging the market;
 - pooling resources essential for economic growth; and
 - reducing unnecessary burdensome rules and regulation to promote economic development.
- **The economic integration is not based on static benefits but also opens up new economic opportunities to closer cooperation.**
- **Economic integration will stimulate research and development including innovation and technical change for a faster economic growth.**
- **Increases the interdependence between the members which increases the need for cooperation to be intensified.**

Integrated Market and Production Base



AEC is leading to deeper economic integration of the 10 economies in ASEAN



Offers new opportunities for businesses and investors within and outside the region – mergers & acquisitions



AEC changing the economic landscape and the approach / strategy to doing business in the region

- In 2016, MATRADE has planned 35 Promotional programmes in ASEAN:
 - Trade Fairs (8);
 - Trade and Investment Missions (4);
 - Specialised Marketing Missions (10);
 - International Sourcing Programmes (8); and
 - Border Trade Initiatives (5) – ASEAN Border Trade Exhibition in Kota Bharu, Kelantan, 14-16 Aug 2016.

Malaysia-Thailand Business Seminar, 2 March 2016



Meeting with Singapore Chambers of Commerce, 16 March 2016



Growth Prospects

- Global growth currently estimated at 3.4% for 2016 and 3.6% in 2017. GDP growth forecast for ASEAN is 4.4% in 2016 and 4.9% in 2017.
- In advanced economies, a modest and uneven recovery is expected to continue with a gradual further narrowing of output gaps.
- The slowdown and rebalancing of the Chinese economy, lower commodity prices and strains in some large emerging market economies will continue to weigh on growth prospects in 2016 - 2017

Our Agenda in ASEAN

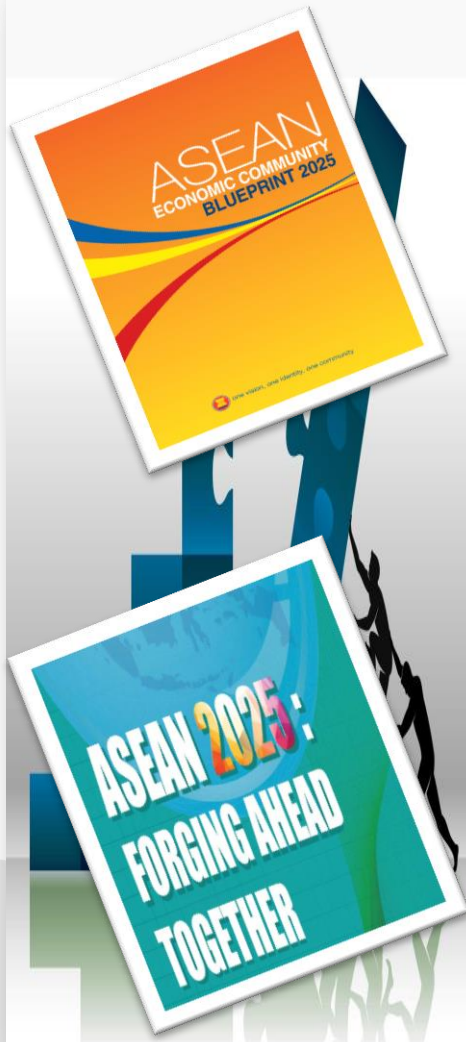
ASEAN must stay the course and move forward with the deepening of economic integration:

- ❖ **Removal of barriers**, including NTBs, red tapes and unnecessary regulations and other restrictive behind-the-border rules and regulations.
- ❖ **Harmonization or alignment of standards** in line with international norms.
- ❖ **Restrictions on foreign equity ownership and control.**
- ❖ **Restrictions on professional requirements** which **impede the movement of skilled workers and professionals** around the region.
- ❖ **Further liberalization** in trade in **services** to attract more investments from outside and inside the region.
- ❖ **Access to finance, technology and human capital.**

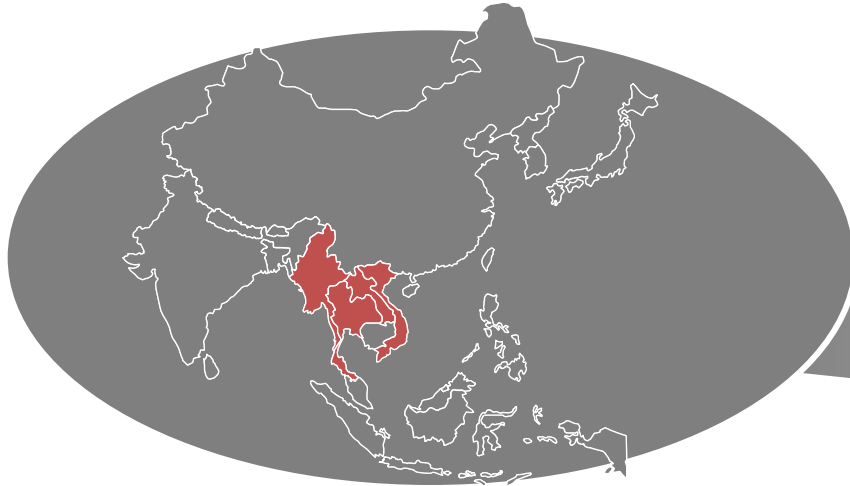


The focus of AEC Blueprint 2025 is to ensure:

- a well **integrated** and **connected** within the global economic system;
- a **business-friendly**, **trade-facilitative**, market driven and predictable environment;
- a region with a key role in **global value chains** and increasing participation in high value added and knowledge-based activities;
- a competitive and dynamic region that inspires **innovation** and where businesses of all sizes thrive, and where consumers' rights are protected; and
- a connected region where **improvements** in **transport linkages** and infrastructure help peoples and businesses move efficiently and work more productively across borders, expand market reach and strategically source goods and services.



Regional Comprehensive Economic Partnership (RCEP)



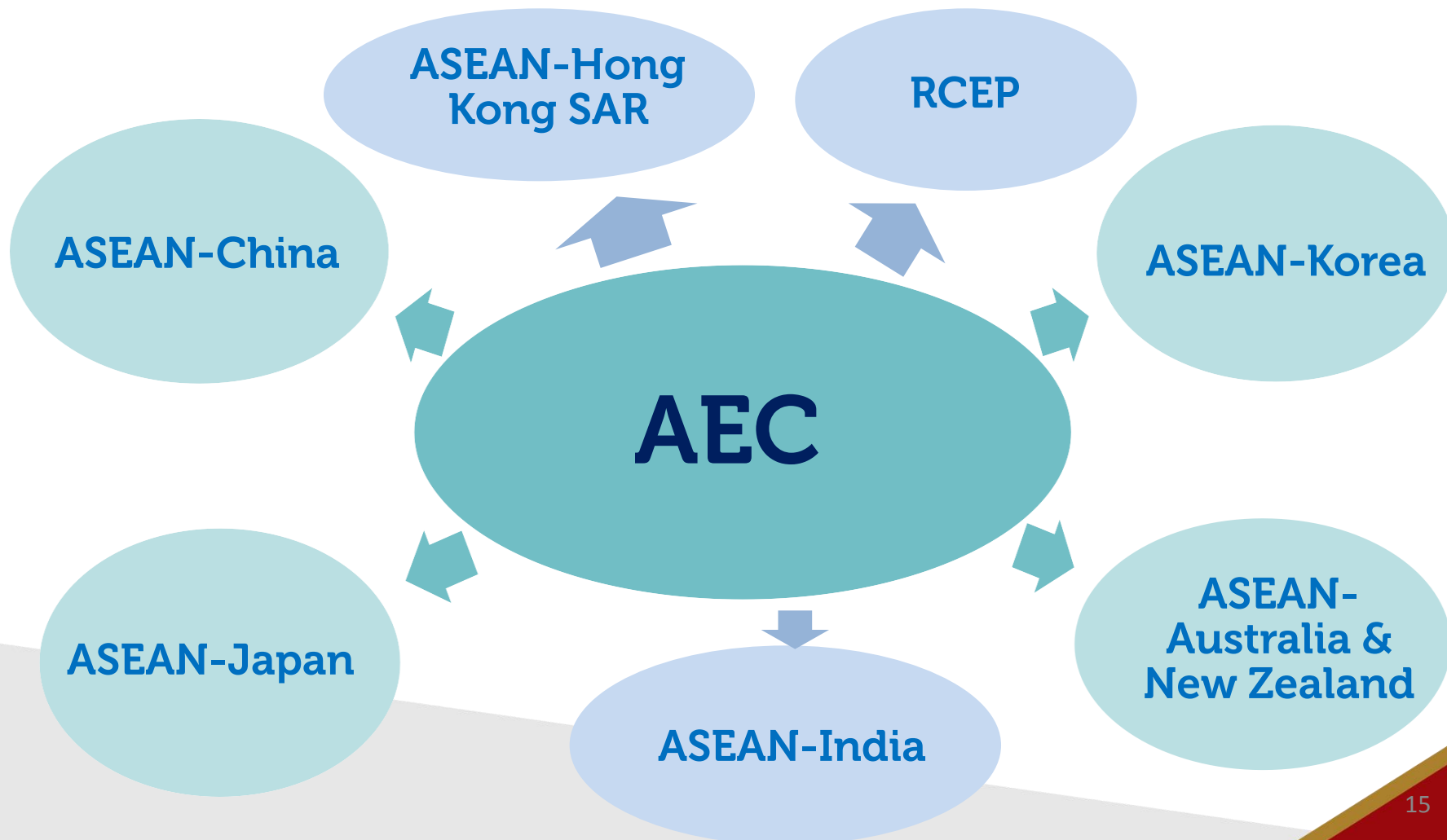
Global Scale

10 ASEAN Member States
China
Japan
Korea
India
Australia
New Zealand

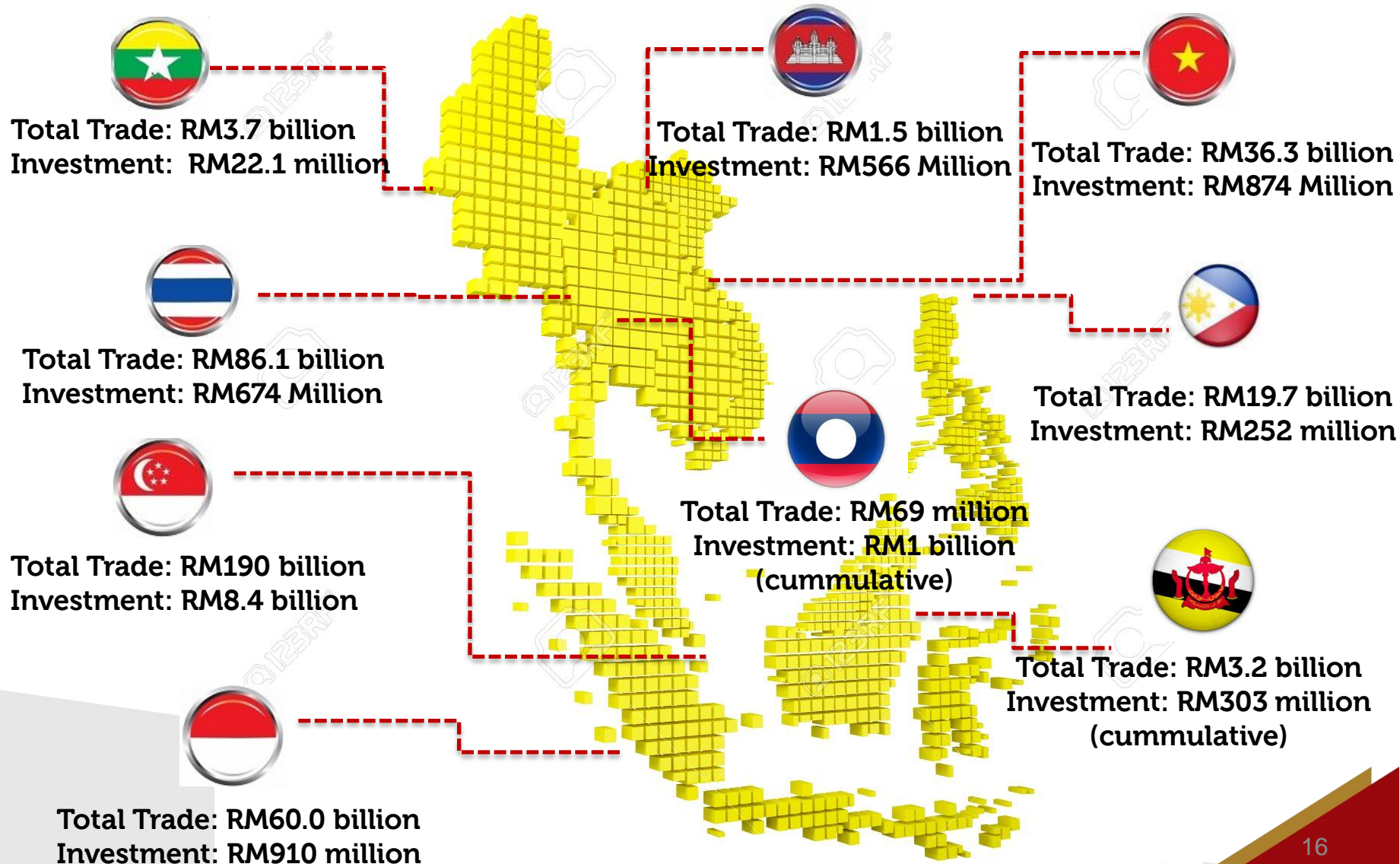
- 30% of Global GDP.
- More than 3.3 billion people (almost 50% of world population).
- Biggest set of producers and consumers.
- Growing economies in Asia & Oceania.
- Connected through ASEAN +1 FTAs.
- Top economies in the world (China-2, Japan-3, India-10, Australia-13, South Korea-15, Indonesia-16, Thailand-30, Malaysia-36).
- Collective ASEAN is the 7th largest economy in the world.

Changing Regional Economic Landscape

STRATEGIC PARTNERS OF ASEAN



Malaysia in AEC



List of Malaysian Networks



**Malaysia-Myanmar
Business Council**
< 300 companies



**Malaysia-Thai
Chamber of Commerce**
< 1,000 companies



**Malaysia-Singapore
Business Council**
< 1,000 companies



**Malaysia-Indonesia
Business Council**
< 1,000 companies



**Malaysia Business
Council Cambodia**
< 300 companies

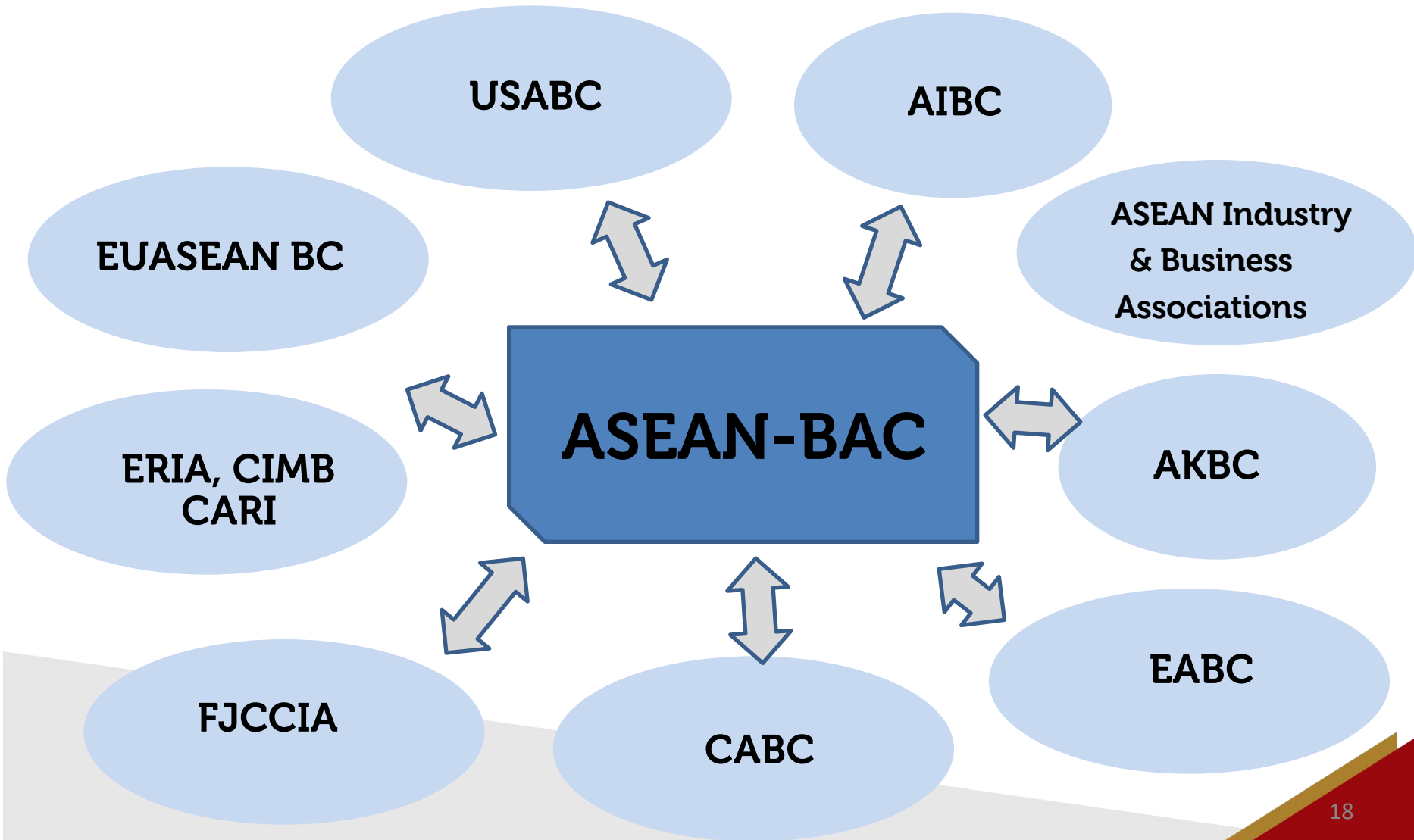


**Malaysia Business
Chamber Viet Nam**
< 700 companies



**Malaysia-Philippines
Business Council**
< 200 companies

Voices of Private Sector in AEC



Role of ASEAN-BAC

- APEX business body in ASEAN. Represented by 3 corporate leaders from each ASEAN Member States.
- Coordinate inputs from the private sector for consideration of ASEAN Leaders / Ministers.
- Regular dialogues with Senior Officials, Ministers and Leaders and ASEAN Foreign Business Councils

The MITI Family



Promote **investments** into **manufacturing** and **services** sectors in Malaysia.



Promote **Malaysia's** **exports** to the world.



Promote **productivity** and **competitiveness** in the country.



MALAYSIA STEEL INSTITUTE

Monitoring the development of **national iron and steel industry**.



Monitoring development of **national automotive industry**.



Promote and coordinating **development** of **SMEs** and **micro-enterprises** in the country.



Promotes development of **halal industry** in Malaysia.



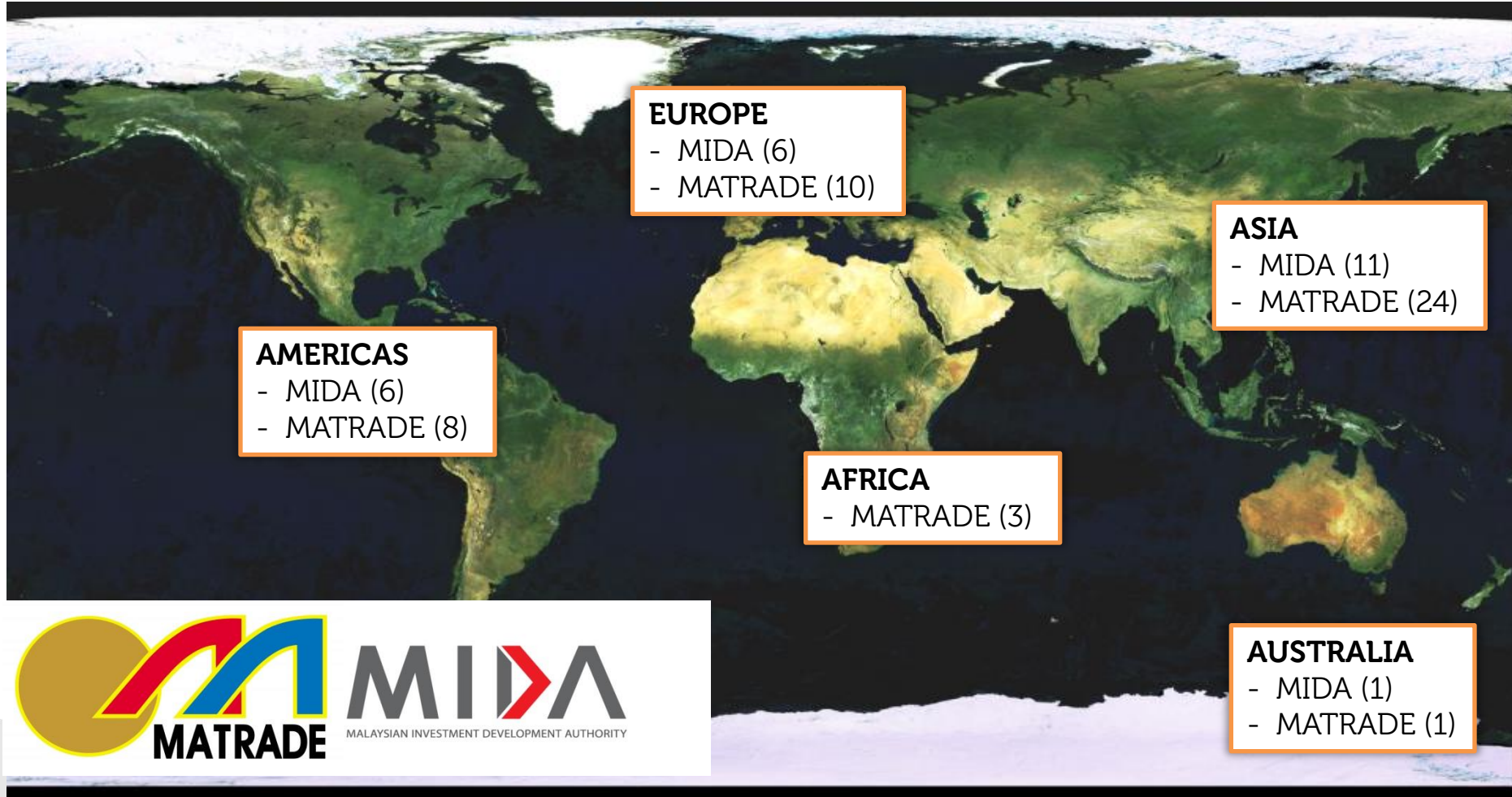
Provide **financial** **services** to **SMEs**.



MITI & Agencies Overseas Offices



Agencies' Offices Abroad



Munchy Food Industries Sdn. Bhd.



Established in 1991

A Malaysian-based (halal-certified) **snack food manufacturer** with presence in **over 60 countries** around the world.

1,300 fulltime **employees**

exporting to **ASEAN countries** such as Brunei, Indonesia, Thailand and Singapore, as well as outside the region such as South Korea, South Africa, Nepal, Yemen, Taiwan and Bangladesh.

Benithem® Sdn Bhd

benithem®

Let our Quality do the talking...



Established in 1981

Quality hand-craftmanship with modern technology to create contemporary office chairs and seating solutions for corporate and home offices.

exporting to 40 countries around the world such as Turkey, Hong Kong, Saudi Arabia, UAE, Netherlands and **ASEAN countries** such as **Singapore, Vietnam, and Indonesia.**

Among the many **achievements:**

- MITI-Brand Excellence Award, 2012;
- Industry Excellence Award (AKI), 2014.

SMT Technologies Sdn. Bhd.



Established in 1993 , based in Kedah.

One of the market leading Electronic Manufacturing Services (EMS) providers in South East Asia that offer a whole range of manufacturing services ranging from product design and complete box build assembly to full turnkey solutions.

In 2006, SMT Industries was set up in Prachinburi, Thailand

Major export destinations are the Philippines, Singapore and Thailand.



Today Siemens has a widespread ASEAN Network of establishments



Workforce Composition



Resources and Employees

- 5,638 employees
- 6 regional head offices
- 7 branch / sales / rep offices
- 6 manufacturing sites
- R&D activities in Singapore
- >1000 indirect channel partners

▲ Head Office
 ● Sales/Branch/Rep Office
 ◆ R&D Activities
 | No. of Siemens Employees
★ CoC for Power Services Field
A Manufacturing Site for Turbines/Blades
C Manufacturing Site for Busbar Trunking System
B Manufacturing Site for LV/MV Switchgears
D Manufacturing Site for E-House Packaging APAC
E Manufacturing Site for Gas Analyzer

A global company – with a local footprint in ASEAN



Founding of PT
Siemens **Indonesia**



The founding of
Siemens Inc in
Thailand



Siemens opens offices
in Penang and Johor,
Malaysia

1973

1992

1995

2002

2006

2008



Siemens Inc starts
in Manila,
Philippines



Siemens Ltd.
established in Ho
Chi Minh City,
Vietnam



Siemens celebrates her
100th Anniversary in
Singapore



Thank you

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'Driving Transformation, Powering Growth'

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