

### **ASEAN's Bilateral Free Trade Areas**

1. ASEAN has five free trade agreements (FTAs) with six Dialogue Partners, namely China, Japan, Republic of Korea, India, and Australia and New Zealand. All Parties have ratified the FTA Agreements. The objectives of these FTAs are to:
  - (i) Act as a catalyst in strengthening ASEAN's trade and economic relationship with China, Japan, Republic of Korea, India, and Australia and New Zealand among ASEAN Member States and the Republic of Korea by creating a large free trade area to provide economies of scale for companies;
  - (ii) Enhance economic competitiveness of ASEAN and these countries as well as increase the standard of living of the people through the progressive liberalization and promotion of trade in goods and services and the creation of a transparent, liberal, and facilitative investment regime.
  - (iii) Enhance economic integration of ASEAN and these East Asian countries and provide a building block for the creation of Regional Comprehensive Economic Partnership Agreement and thereby assisting in reducing the development gaps.
  - (iv) The creation of a huge free market covering and these East Asian countries will bring dynamic benefits to the region since it will attract more foreign direct investments, which will subsequently create more jobs and facilitate the transfer of advanced technology.

### **ASEAN-China FTA**

2. ASEAN and China negotiated details of the FTA based on a sequential approach:
  - (a) the Trade in Goods Agreement was signed in 2004 entered into force in 2005;
  - (b) the Trade in Services Agreement was signed in 2007 and entered into force in 2008; and
  - (c) the investment Agreement was signed in August 2009 and entered into force on 1 January 2010.
3. The ASEAN-China Trade in Goods Agreement when fully realized by all 11 Parties will see elimination of import duties on 94% of the tariff lines. More than 90% of the tariff lines for ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) and China are already eliminated as at 1 January 2012.
4. The ASEAN-China Free Trade Area has a total population of 1.91 billion with a combined GDP of US10.54 trillion (2012).

### **ASEAN-Korea FTA**

5. The ASEAN-Korea Trade in Goods Agreement was signed in 2006 and entered into force in 2007, without Thailand.
6. The ASEAN-Korea Trade in Goods Agreement when fully realized by all 11 Parties will see elimination of import duties on 94% of the tariff lines. More than 90% of the tariff lines for ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) and Korea are already eliminated as at 1 January 2012.
7. The Second Protocol to Amend the Agreement on Trade in Goods under the Framework Agreement was signed on 17 November 2011 with the aim of facilitating the unilateral acceleration of tariff commitments, including the transfer of products from the Sensitive Track to the Normal Track.
8. The Trade in Services Agreement was signed without Thailand in 2007. Thailand acceded to the Trade in Goods Agreement and the Trade in Services Agreement in during the 14<sup>th</sup> ASEAN Summit in February 2009. The ASEAN-Korea Trade in Services Agreement, signed on 17 November 2007 was entered into force on 1 May 2009. All Parties has ratified the Agreement.
9. The ASEAN-Korea Investment Agreement signed in June 2009 and entered into force on 1 September 2009. The Agreement has been ratified by all Parties.
10. The ASEAN-Korea Free Trade Area has a total population of 632.1 million with a combined GDP of US\$3.46 trillion (2012)

### **ASEAN-Japan CEP**

11. The ASEAN-Japan Comprehensive Economic Partnership (AJCEP) was signed in April 2008 and entered into force in December 2008. For Malaysia, it entered into force on 1 February 2009. It was negotiated as a single undertaking.
12. ASEAN and Japan is targeted to sign the Services and Investment chapters under the AJCEP Agreement by 2014.
13. ASEAN and Japan has a total population of 744.8 million with a combined GDP of US\$8.29 trillion in 2012.

### **ASEAN-India FTA**

14. The ASEAN-India Trade in Goods Agreement was signed in August 2009 and entered into force on 1 January 2010. The Agreement will be realized by 2016.
15. ASEAN and India have concluded negotiations on trade in services and investment agreements.

16. The ASEAN-India Free Trade Area has a total population of 1.8 billion with combined GDP of US\$4.14 trillion (2012).

### **ASEAN-Australia-New Zealand FTA**

17. The Agreement establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) was signed in 27 February 2009 and entry into force on 1 January 2010. This is the most comprehensive FTA agreement ASEAN has concluded in terms of form and substance. The Agreement also includes specific commitments made by Parties such as intellectual property, trade in services and movement of natural persons, electronic commerce and competition. By 2020, exports to Australia and New Zealand will be duty free.
18. Upon entry into force in 2010, Australia and New Zealand eliminated import duties on 96.4% and 83.6% of their tariff lines, respectively. Malaysia will eliminate and reduce import duties on products according to 3 categories:
  - Normal Track : duties has been eliminated on 2013;
  - Sensitive Track I: duties will be eliminated by 2020; and
  - Sensitive Track II: duties will only be reduced and capped at certain rates by 2020.
19. The AANZFTA has a total population of 653.6 million with combined GDP of US\$4.1 trillion.

**Summary of ASEAN Bilateral FTAs**

FTA/CEP	Trade in Goods		Trade in Services		Investment		Total Population	GDP (US\$-2010)	Realised** (TIG)
	Signed	EIF*	Signed	EIF*	Signed	EIF*			
ASEAN-China	2004	2005	2007	2008	2009	2010	1.91 billion	10.54 trillion	2018
ASEAN-Korea -Thailand	2006 2009	2007 2009	2007 2009	2009 2009	2009 2009	2009 2009	632.1 million	3.46 trillion	2016
ASEAN-Japan	2008	2008	on-going negotiations				711.2 million	8.29 trillion	2018
ASEAN-India	2009	2010	Concluded but not signed				1.8 billion	4.14 trillion	2016
ASEAN-Australia- NZ	2009	2010	2009	2010	2009	2010	626.2 million	4.02 trillion	2015

\* EIF: entry into force

\*\* Realised: Tariffs for all products in the Normal Track and Sensitive Track reaches the lowest level or totally eliminated as per commitment in the Trade in Goods Agreement, mainly by ASEAN-6 and FTA Partner.

**Commitments across ASEAN + 1: Goods**

	<b>AANZFTA</b>	<b>ACFTA</b>	<b>AIFTA</b>	<b>AJCEP</b>	<b>AKFTA</b>	<b>Average</b>
<b>Brunei</b>	99%	98%	85%	98%	99%	96%
<b>Cambodia</b>	89%	90%	88%	85%	91%	89%
<b>Indonesia</b>	93%	92%	49%	91%	91%	83%
<b>Lao PDR</b>	92%	97%	80%	86%	90%	89%
<b>Malaysia</b>	97%	93%	80%	94%	92%	91%
<b>Myanmar</b>	88%	94%	77%	85%	92%	87%
<b>The Philippines</b>	95%	92%	81%	97%	90%	91%
<b>Singapore</b>	100%	100%	100%	100%	100%	100%
<b>Thailand</b>	99%	93%	78%	96%	95%	92%
<b>Vietnam</b>	95%	92%	79%	94%	89%	90%
<b>Australia</b>	100%					<ul style="list-style-type: none"> <li>• HS6-digit, HS 2007 version</li> <li>• Source: ERIA FTA Mapping Study</li> </ul>
<b>China</b>		95%				
<b>India</b>			79%			
<b>Japan</b>				92%		
<b>Korea</b>					90%	
<b>New Zealand</b>	100%					
<b>Average FTA</b>	96%	94%	80%	93%	93%	

### Basic Economic Data on ASEAN-Dialogue Partners

#### Total ASEAN

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)	
	2010	2011	2012	2011	2012	2011	2012
Total ASEAN exports (US\$ billion)	1,070.9	1,243.5	1,254.0	16.0	0.9		
Total ASEAN imports (US\$ billion)	974.8	1,145.0	1,220.7	17.6	6.5		
Total ASEAN trade (US\$ billion)	2,045.7	2,388.6	2,474.7	16.8	3.6		
ASEAN's trade balance (US\$ billion)	96.2	98.5	33.3	(0.2)	(65.3)		
Intra-ASEAN exports (US\$ billion)	268.0	294.5	323.5	22.2	(1.2)	23.7	25.8
Intra-ASEAN imports (US\$ billion)	251.8	303.7	277.4	7.5	2.5	26.5	22.7
Total intra-ASEAN trade (US\$ billion)	519.8	598.2	601.0	15.1	0.5	25.0	24.3
Total foreign direct investment inflow to ASEAN (US\$ billion)	98.9	108.1	108.2	9.3	0.1		
Intra-ASEAN foreign direct investment inflow (US\$ billion)	15.5	17.6	20.0	14.0	13.7	19.7	18.5
<b>Basic indicators on ASEAN</b>							
Gross domestic product (GDP) at current prices (in US\$ billion)	1,517.2	2,185.2	2,313.1				
GDP annual rate of change (weighted; based on national currency)	7.8	4.8	5.7				
GDP per capita in US dollars	3,152.7	3,613.1	3,747.8				
GDP per capita at international dollars (PPP)	5,255.2	5,561.5	5,789.7				
Population (in million)	597.2	604.8	617.2				

Source: ASEAN Secretariat

### ASEAN-China

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to China (US\$ billion)	113.0	127.9	141.6	13.2	10.7	10.3	11.3	2	1
ASEAN imports from China (US\$ billion)	119.0	152.5	177.0	28.1	16.1	13.3	14.5	1	1
Total trade with China (US\$ billion)	232.0	280.4	318.6	20.9	13.6	11.7	12.9	1	1
Trade balance with China (US\$ billion)	(6.0)	(24.6)	(35.4)						
Foreign direct investment inflow from China (US\$ billion)	2.7	7.3	4.1	189.2	(44.1)	6.78	3.8	3	4
<b>Basic indicators on China</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	5,930.4	7,298.1	8,250.2						
GDP annual rate of change (in percent; based on national currency)	10.4	9.2	7.8						
GDP per capita in US dollars	4,422.7	5,416.7	6,094.0						
GDP per capita at international dollars (PPP)	7,553.4	8,386.7	9,146.4						
Population (in million)	1,340.9	1,347.4	1,353.8						

*Source: ASEAN Secretariat*

**ASEAN-Japan**

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to Japan (US\$ billion)	102.9	145.2	126.3	43.3		11.9		1	
ASEAN imports from Japan (US\$ billion)	103.7	128.1	136.1	21.4		11.0		2	
Total trade with Japan (US\$ billion)	206.6	273.3	262.4	32.3		11.4		2	
Trade balance with Japan (US\$ billion)	(0.9)	17.0	(9.8)						
Foreign direct investment inflow from Japan (US\$ billion)	10.8	16.4	20.8	51.6	26.4	15.2	19.2	2	2
<b>Basic indicators on Japan</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	5,488.6	5,866.5	5,984.4						
GDP annual rate of change (in percent; based on national currency)	4.5	(0.8)	2.2						
GDP per capita in US dollars	42,863.4	45,869.7	46,895.7						
GDP per capita at international dollars (PPP)	34,241.0	34,748.1	36,179.4						
Population (in million)	128.0	127.9	127.6						

*Source: ASEAN Secretariat*



**ASEAN-Republic of Korea**

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to ROK (US\$ billion)	45.0	54.5	55.0	21.1	1.0	4.4	4.4	5	5
ASEAN imports from ROK (US\$ billion)	53.6	65.6	76.0	30.5	8.6	6.1	6.2	5	5
Total trade with ROK (US\$ billion)	98.6	124.5	131.0	26.2	5.2	5.2	5.3	5	5
Trade balance with ROK (US\$ billion)									
Foreign direct investment inflow from ROK (US\$ billion)	3.7	2.4	1.9	(34.9)	(21.5)	2.2	1.7	5	6
<b>Basic indicators on ROK</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	1,014.9	1,116.2	1,151.3						
GDP annual rate of change (in percent; based on national currency)	6.3	3.6	2.7						
GDP per capita in US dollars	20,540.2	22,424.1	23,020.9						
GDP per capita at international dollars (PPP)	29,717.2	31,220.5	32,431.0						
Population (in million)	49.4	49.8	50.0						

Source: ASEAN Secretariat

**ASEAN Plus Three (China-Japan-Republic of Korea)**

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to Plus Three (US\$ billion)	260.9	327.6	322.9	25.6	(1.4)	26.4	25.7		
ASEAN imports from Plus Three (US\$ billion)	276.4	350.6	389.1	26.9	11.0	30.6	31.9		
Total trade with Plus Three (US\$ billion)	537.3	678.2	712.0	26.2	5.0	28.4	28.8		
Trade balance with Plus Three (US\$ billion)	(15.5)	(23.1)	(66.3)						
Foreign direct investment inflow from Plus Three (US\$ billion)	32.5	43.8	46.8	34.6	6.8	40.5	43.4		
<b>Basic indicators on Plus Three</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	14,316.5	16,466.2	17,699.0						
GDP annual rate of change (in percent; based on national currency)									
GDP per capita in US dollars	6,767.3	7,731.2	8,237.3						
GDP per capita at international dollars (PPP)									
Population (in million)	2,115.5	2,148.6	2,148.6						

*Source: ASEAN Secretariat*

### ASEAN-India

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to India (US\$ billion)	36.0	42.8	43.8	18.7	2.5	3.4	3.5	6	7
ASEAN imports from India (US\$ billion)	19.4	25.7	27.7	32.2	8.0	2.2	2.2	6	6
Total trade with India (US\$ billion)	55.4	68.4	71.6	23.4	4.6	2.9	5.7	6	6
Trade balance with India (US\$ billion)	16.6	17.1	16.1						
Foreign direct investment inflow from India (US\$ billion)	3.4	(1.7)	2.6	(154.2)	(254.3)	(1.6)	2.4	11	5
<b>Basic indicators on India</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	1,630.5	1,826.8	1,946.8						
GDP annual rate of change (in percent; based on national currency)	10.1	6.8	4.9						
GDP per capita in US dollars	1,369.5	1,513.6	1,591.6						
GDP per capita at international dollars (PPP)	3,403.5	3,662.7	3,851.3						
Population (in million)	1,190.5	1,206.9	1,223.3						

*Source: ASEAN Secretariat*

**ASEAN-CER (Australia-New Zealand)**

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to ANZ (US\$ billion)	39.5	41.8	51.3	5.9	22.8	3.4	4.1		
ASEAN imports from ANZ (US\$ billion)	23.3	25.9	27.4	11.3	6.0	2.3	2.2		
Total trade with ANZ (US\$ billion)	62.8	67.7	78.8	7.9	16.4	2.8	6.3		
Trade balance with ANZ (US\$ billion)	16.2	15.9	23.9						
Foreign direct investment inflow from ANZ (US\$ billion)	4.0	1.2	2.0	(70.5)	71.6	1.1	1.9		
<b>Basic indicators on ANZ</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	1,384.5	1,645.8	1,709.0						
GDP annual rate of change (in percent; based on national currency)									
GDP per capita in US dollars	52,141.9	61,366.3	62,955.1						
GDP per capita at international dollars (PPP)									
Population (in million)	26.6	26.8	27.1						

*Source: ASEAN Secretariat*

### ASEAN-Australia

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to Australia (US\$ billion)	35.3	37.3	45.8	5.7	22.9	3.0	3.7	7	6
ASEAN imports from Australia (US\$ billion)	20.2	22.2	23.8	10.1	7.0	1.9	1.9	7	7
Total trade with Australia (US\$ billion)	55.4	59.5	69.6	7.3	17.0	2.5	5.5	7	7
Trade balance with Australia (US\$ billion)	15.1	15.0	22.0						
Foreign direct investment inflow from Australia (US\$ billion)	4.0	1.1	1.9	(71.9)	66.2	1.0	1.7	6	7
<b>Basic indicators on Australia</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	1,244.4	1,486.9	1,542.1						
GDP annual rate of change (in percent; based on national currency)	2.5	2.1	3.3						
GDP per capita in US dollars	56,097.8	66,371.2	67,982.7						
GDP per capita at international dollars (PPP)	39,545.2	40,847.1	42,354.2						
Population (in million)	22.2	22.4	22.7						

*Source: ASEAN Secretariat*

### ASEAN-New Zealand

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to New Zealand (US\$ billion)	4.2	4.6	5.6	7.6	21.9	0.4	0.4	10	9
ASEAN imports from New Zealand (US\$ billion)	3.1	3.7	3.7	18.8	(0.2)	0.3	0.3	10	10
Total trade with New Zealand (US\$ billion)	7.3	8.2	9.2	12.3	12.1	0.3	0.7	10	10
Trade balance with New Zealand (US\$ billion)	1.2	0.9	1.9						
Foreign direct investment inflow from New Zealand (US\$ billion)	0.021	0.06	0.2	207.7	166.7	0.06	0.16	8	9
<b>Basic indicators on New Zealand</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	140.1	158.9	166.9						
GDP annual rate of change (in percent; based on national currency)	1.8	1.3	2.2						
GDP per capita in US dollars	32,061.2	35,973.0	37,400.8						
GDP per capita at international dollars (PPP)	27,357.2	28,011.5	28,796.7						
Population (in million)	4.4	4.4	4.5						

*Source: ASEAN Secretariat*

### ASEAN+6

Indicator	Value			Year-on-year change (%)		Share to ASEAN (%)		Rank in 11 DPs	
	2010	2011	2012	2011	2012	2011	2012	2011	2012
ASEAN exports to ASEAN+6 (US\$ billion)	336.4	412.2	418.0	22.5	1.4	33.2	33.3		
ASEAN imports from ASEAN+6 (US\$ billion)	319.1	402.2	444.3	26.1	10.5	35.1	35.4		
Total trade with ASEAN+6 (US\$ billion)	655.5	814.4	862.3	24.2	5.9	34.1	68.8		
Trade balance with ASEAN+6 (US\$ billion)	17.3	9.9	(26.3)						
Foreign direct investment inflow from ASEAN+6 (US\$ billion)	39.9	43.3	51.4	8.5	18.8	40.0	47.5		
<b>Basic indicators on East Asia</b>									
Gross domestic product (GDP) at current prices (in US\$ billion)	17,331.4	19,938.8	21,354.8						
GDP annual rate of change (in percent; based on national currency)									
GDP per capita in US dollars	5,200.5	5,927.9	6,282.8						
GDP per capita at international dollars (PPP)									
Population (in million)	3,332.6	3,363.6	3,99.0						

*Source: ASEAN Secretariat*

**Flows of Inward Direct Investment to ASEAN by ASEAN'S Dialogue Partners**

<b>SOURCE COUNTRIES</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
(US Million)				
Intra-ASEAN	6,300	14,291	17,571	20,037
Australia	993	2,600	1,323	1,900
Canada	720	1,247	927	500
China	1,853	2,741	5,950	4,100
European Union 27	8,063	17,403	17,173	23,500
India	616	3,356	-1,819	2,600
Japan	3,790	10,975	15,254	20,800
New Zealand (US Billion)	0.109	0.021	0.06	0.2
Pakistan (US Billion)	0.01	0.03	0.01	-0.01
Republic of Korea (ROK)	1,794	3,804	4,380	4,600
Russian Federation	140	60	47	10
USA	5,704	12,481	6,154	6,900
CER	1,092	2,603	1,336	2,000
Plus Three (3)	7,436	17,520	23,629	46,800
Plus Six (6)	9,145	39,300	43,300	51,400
ASEAN-CER	7,392	16,894	18,907	22,037
ASEAN Plus Three	13,737	31,811	41,200	66,837
ASEAN Plus Six	15,445	37,770	40,718	71,437
<b>ASEAN TOTAL</b>	<b>46,897</b>	<b>92,857</b>	<b>89,234</b>	<b>108,214</b>

*Source: ASEAN Secretariat*



**Flows of Inward Direct Investment to ASEAN by ASEAN's Dialogue Partners**

<b>Share to ASEAN (%)</b>				
<b>SOURCE COUNTRIES</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Intra-ASEAN	13.43	15.39	19.69	18.5
Australia	2.12	2.80	1.48	1.7
Canada	1.54	1.34	1.04	0.4
China	3.95	2.95	6.67	3.8
European Union 27	17.19	18.74	19.24	21.7
India	1.31	3.61	-2.04	2.4
Japan	8.08	11.82	17.09	19.2
New Zealand	0.21	0.00	0.01	0.16
Pakistan	0.03	0.03	0.01	-0.01
Republic of Korea (ROK)	3.83	4.10	2.72	1.7
Russian Federation	0.30	0.06	0.05	0.14
USA	12.16	13.44	6.90	6.4
CER	2.33	2.80	1.50	1.9
Plus Three (3)	15.86	18.87	26.48	43.3
Plus Six (6)	19.50	25.29	25.94	47.5
ASEAN-CER	15.76	18.19	21.19	-
ASEAN Plus Three	29.29	34.26	46.17	-
ASEAN Plus Six	32.93	40.68	45.63	-

*Source: ASEAN Secretariat*