



ASEAN Competitiveness

One of the objectives of the ASEAN Economic Community is to increase ASEAN competitiveness. Since ASEAN started the implementation of the ASEAN Economic Community (AEC) Blueprint in 2007, ASEAN has implemented over 259 activities. Has ASEAN competitiveness improved?

Many organizations conduct competitiveness studies including the World Economic Forum (WEF), which publishes the Global Competitiveness Report. The WEF's report is relatively more comprehensive and has a longer time series data. Unfortunately, it does not include Lao PDR and Myanmar.

The WEF rankings were weighted with each country's GDP in order to combine their rankings and reflect a more accurate picture of the overall ASEAN position.¹

Weighted Ranking of ASEAN Competitiveness

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Brunei	39	39	32	28	28	28
Cambodia	110	109	110	109	97	85
Indonesia	54	55	54	44	46	40
Malaysia	21	21	24	26	21	25
Philippines	71	71	87	85	75	65
Singapore	7	5	3	3	2	2
Thailand	28	34	36	38	39	38
Vietnam	68	70	75	59	65	75
Average	41	43	45	41	40	38

¹ The share of GDP is based on the current US\$ GDP from IMF's World Economic Outlook database in April 2013.

	2007	2008	2009	2010	2011	2012
Brunei D.	0.95%	0.97%	0.73%	0.67%	0.77%	0.74%
Cambodia	0.67%	0.69%	0.71%	0.61%	0.61%	0.63%
Indonesia	33.45%	34.20%	36.49%	38.69%	39.87%	39.15%
Malaysia	14.99%	15.47%	13.70%	13.46%	13.57%	13.53%
Philippines	11.56%	11.62%	11.41%	10.88%	10.59%	11.16%
Singapore	13.77%	12.76%	12.79%	12.64%	12.52%	12.33%
Thailand	19.12%	18.25%	17.86%	17.39%	16.29%	16.30%
Vietnam	5.50%	6.05%	6.31%	5.65%	5.78%	6.16%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



Source: Global Competitiveness Report, World Economic Forum, various issues

Overall Changes in Competitiveness

The following points are highlighted:

- From the ranking of Global Competitiveness Index (GCI) from 2007 to 2012, the weighted average ranking of ASEAN shows a gain of three positions, from 41 to 38.
- The major improvements include Cambodia, which advanced 25 positions, Indonesia 14 positions, Brunei Darussalam 11 positions, Philippines 6 positions and Singapore 5 positions.
- While countries that declined were; Thailand lost 10 positions, Vietnam lost 7 positions and Malaysia dropped 4 positions.

It is important to note that the rest of the world is also making adjustments, especially, other emerging countries in Asia, Eastern Europe, Latin American and Africa.

Had ASEAN not implemented the AEC Blueprint, the region's competitiveness performance would have been worse.

Impact of Global Financial Crisis

The global financial crisis reduced competitiveness ranking for ASEAN from 41 in 2007 to 45 in 2010. However, the effect varies among member countries:

- Losers: Philippines (lost 16 positions), Thailand (lost 8 positions), Vietnam (lost 7 positions) and Malaysia (lost 3 positions).
- Gainers: Brunei Darussalam (gained 7 positions) and Singapore (advanced 4 positions).

During the economic crisis, political uncertainties affected the confidence and competitiveness of some countries. Countries with political stability were able to withstand the economic crisis and improve their competitiveness rankings.