



## **ASEAN CONNECTIVITY – KEY FACTS**

### **INSTITUTIONAL CONNECTIVITY**

Institutional connectivity refers to strategies, international and regional agreements, and legal and institutional mechanisms to facilitate international transactions of goods and services, the appropriate types of investment policies as well as the movement of people across borders. It works towards aligning institutional and regulatory arrangements to create more efficiency across the ASEAN region.

#### **Progress with Key Institutional Connectivity Projects**

##### **Framework Agreements on Transport Facilitation**

ASEAN is working across three framework agreements to boost transport facilitation.

- The ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) is working to establish an efficient, effective and integrated harmonized transit transport system.
- The ASEAN Framework Agreement on Multimodal Transport is working to increase the governance and simplify the process of the door-to-door delivery of goods, across multiple modes of transport.
- The ASEAN Framework Agreement on the Facilitation of Inter-State Transport is making it easier to move goods across borders by streamlining customs regulations so they are simpler, effective and more comparable across the region.

##### **The Single Aviation Market and the Single Shipping Market**

Both projects work to integrate regional aviation and shipping.

- The ASEAN Single Aviation Market (ASAM) works to deal with the rapidly growing importance and popularity of air transportation by integrating member states into one market and helping the region keep up with the accelerated restructuring of the global aviation market.
- The ASEAN Single Shipping Market is working to develop a single maritime network with the infrastructure needed to improve efficiency across the regions maritime transportation sectors.

##### **Trade and the ASEAN Free Trade Area (AFTA)**

Across ASEAN approximately 99.65% of tariffs have been removed. The ASEAN Free Trade Area is now almost complete. The latest members of ASEAN have up 2015 (Laos and Myanmar) and 2017 (Cambodia) to meet requirements to reduce tariff barriers to the required level. Greater market access has also been brought by negotiating a series of ASEAN +1 agreements, which mean that ASEAN countries have greater access to regional markets. ASEAN +1 agreements include:

- ASEAN–Australia–New Zealand Free Trade Area
- ASEAN–China Free Trade Area
- ASEAN–India Free Trade Area
- ASEAN–Japan Comprehensive Economic Partnership
- ASEAN–Korea Free Trade Area



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### **The ASEAN Single Window**

The ASEAN Single Window (ASW) is a platform designed to expedite customs clearance and release of shipments coming to and departing from ASEAN. It is working to seamlessly integrate each ASEAN member state National Single Window (NSW) into one. The ASEAN Single Window (ASW) will bring international open communication standards to the ASEAN region so each member state can exchange information securely and reliably with their trading partners, making the process of trade much easier. It works to improve information sharing and speed up customs procedures.

### **Investment**

ASEAN has put forward a new investment agreement called the ASEAN Comprehensive Investment Agreement (ACIA), which contains comprehensive provisions, covering investment liberalization, protection, facilitation, and promotion. ACIA grants immediate benefits to ASEAN investors and ASEAN-based foreign investors to achieve free and open investment by 2015. Institutional connectivity has contributed to making ASEAN a more prosperous region:

- The per capita GDP in each ASEAN nation has grown from an average of \$1,500 in 2004 to \$3,745 in 2012
- FDI into ASEAN has increased from around \$39,400 million in 2004 to \$110,300 million in 2012
- FDI inflow within ASEAN countries has increased from \$3,510 million in 2004 to \$20,160 million in 2012