



ASSOCIATION
OF SOUTHEAST
ASIAN NATIONS

The Challenges and Opportunities towards ASEAN Economic Community in Developing Country:

A Case Study of Bangladesh

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ASEAN Economic Community (AEC)

- ▶ The establishment of the ASEAN Economic Community (AEC) in 2015 is a major milestone in the regional economic integration agenda in ASEAN, offering opportunities in the form of a huge market of US\$2.6 trillion and over 622 million people. In 2014, AEC was collectively the third largest economy in Asia and the seventh largest in the world

ASEAN

Economic Community

— at a Glance —

ASEAN Economy

A Highly Competitive Economic Region

With a combined GDP of US\$2.6 trillion in 2014, ASEAN economy was

the **7th** largest in the world and the **3rd** largest in Asia

ASEAN Population

A Region Fully Integrated Community

In 2014, ASEAN was

the **3rd** largest market in the world with 622 million people behind only China and India

ASEAN Trade

A More Integrated Market

Total trade increased by nearly **US\$1 trillion**

between 2007 and 2014, with Intra-ASEAN trade comprising the **largest share** of ASEAN's total trade by partner.

ASEAN FDI

A World Class Investment Destination

ASEAN attracted

US\$136 billion

in FDI in 2014, accounting for 11% of global FDI inflows, up from only 5% in 2007

ASEAN Connectivity

A More Connected Community

Annual tourist arrivals were up to 662 million in 2014, almost half of which were Intra-ASEAN

The rate of Internet subscriptions more than doubled to 11.8 per 100 inhabitants in 2014 from 2007



one vision
one identity
one community

AEC 2025: The Way Forward

- The AEC Blueprint 2025, adopted by the ASEAN Leaders at the 27th ASEAN Summit on 22 November 2015.
- ▶ Under the new Blueprint, a stronger AEC is envisaged by 2025 with the following characteristics:
 - (a) ***A Highly Integrated and Cohesive Economy;***
 - (b) ***A Competitive, Innovative, and Dynamic ASEAN;***
 - (c) ***Enhanced Connectivity and Sectoral Cooperation;***
 - (d) ***A Resilient, Inclusive and People-Oriented, People-Centred ASEAN;*** and
 - (e) ***A Global ASEAN***

ASEAN Economic Community 2025

A Highly Integrated and Cohesive Economy	A Competitive, Innovative, and Dynamic ASEAN	Enhanced Connectivity and Sectoral Cooperation	A Resilient, Inclusive and People-Oriented, People-Centred ASEAN	A Global ASEAN
• Trade in Goods	• Effective Competition Policy	• Transport	• Strengthening the Role of Micro, Small, and Medium Enterprises	• More strategic and coherent approach towards external economic relations
• Trade in Services	• Consumer Protection	• Information and Communications Technology	• Strengthening the Role of the Private Sector	• Review existing FTAs
• Investment Environment	• Strengthening Intellectual Property Rights Cooperation	• E-commerce	• Public-Private Partnership	• Enhance economic partnerships with non-FTA Dialogue Partners by upgrading and strengthening trade and investment work programmes/plans
• Financial Integration, Financial Inclusion, and Financial Stability	• Productivity-Driven Growth, Innovation, Research and Development, and Technology Commercialisation	• Energy	• Narrowing the Development Gap	• Engage with regional and global partners
• Facilitating Movement of Skilled Labour and Business Visitors	• Taxation Cooperation	• Food, Agriculture, and Forestry	• Contribution of Stakeholders on Regional Integration Efforts	• Continue strongly supporting the multilateral trading system and actively participating in regional fora
• Enhancing Participation in Global Value Chains	• Good Governance	• Tourism		• Continue to promote engagement with global and regional institutions
	• Effective, Efficient, Coherent and Responsive Regulations, and Good Regulatory Practice	• Healthcare		
	• Sustainable Economic Development	• Minerals		
	• Global Megatrends and Emerging Trade-related Issues	• Science and Technology		

AEC 2015: Key Achievements

1. More liberalized market
2. Reduced trade costs
3. Improved investment regimes
4. Enhanced mobility of skilled people
5. Free trade and comprehensive economic partnership agreements
6. A business-friendly and innovation-supportive environment
7. Physical improvements in transportation and other infrastructure networks
8. Narrowing the development gap

ASEAN, AEC and Bangladesh

- ▶ ASEAN offers Bangladesh many opportunities for building co-operation and sharing expertise with sophisticated economies such as Singapore.

Connectivity



- ▶ In 2015, India, Nepal, Bhutan and Bangladesh signed a landmark Motor Vehicles Agreement (MVA) for the Regulation of Passenger, Personnel and Cargo Vehicular Traffic among the four South Asian neighbours in Thimpu, Bhutan.
- ▶ The MVA agreement between sub-grouping of four SAARC nations, Bangladesh, Bhutan, India and Nepal (BBIN) will pave the way for a seamless movement of people and goods across their borders for the benefit and integration of the region and its economic development.

Connectivity (Contd.....)

- ▶ The final destination is Mae Sot of Thailand. It is a road network of some 3,200 km which will be extended later to link Cambodia, Laos and Vietnam. India has already provided Myanmar with a loan worth \$500 million for upgrading the 1,600-km of the Myanmar-section of the trilateral highway.
- ▶ BBIN may facilitates the connectivity concern with ASEAN member countries

Education Sector



- Bangladesh can work with ASEAN to increase student mobility by helping to harmonize the recognition systems between higher education institutions in ASEAN.
- We may improve the comparability of university qualifications and make it easier for our students to transfer credits obtained at one university to another through the development of qualifications frameworks, quality assurance systems and credit transfer systems as followed by the examples of EU

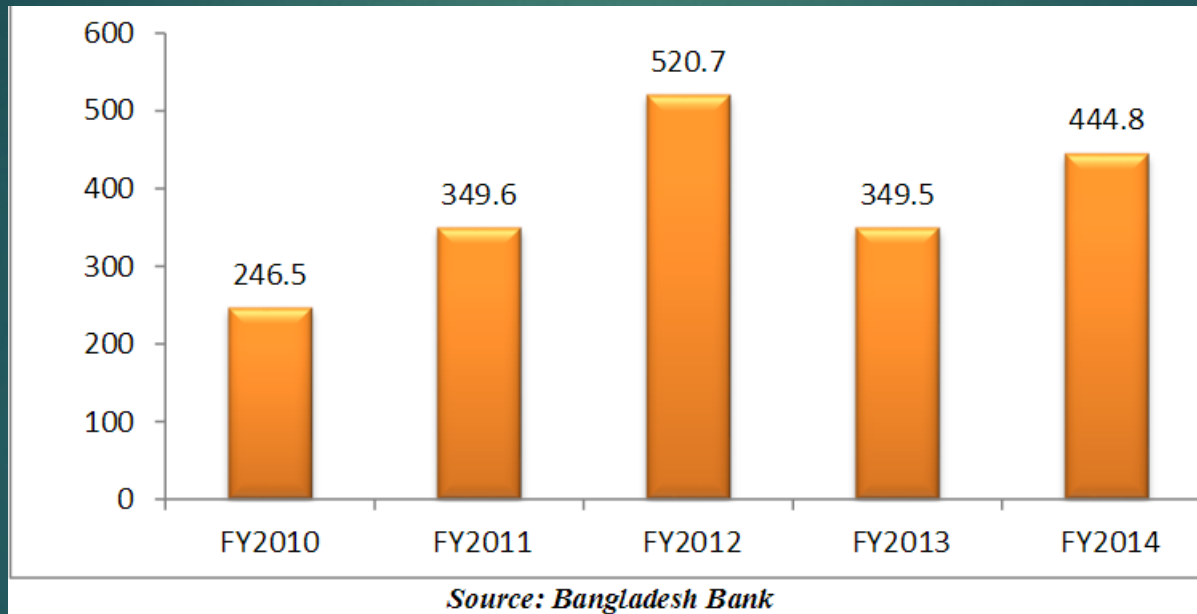
IT sector



- ▶ In this 21st Century knowledge has emerged as a leading determinant of economic growth and human welfare. At the economy level, knowledge is transforming ways that new technology is developed and adopted to enhance productivity and lower cost.

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- ▶ **Contribution to Exports: Starting from a low base, ICT export earnings have gained some momentum** during the Sixth Plan, growing from \$ 246.5 million in FY2010 to \$444.8 million in FY2014 (Figure in next slide).

Trends in IT export of Bangladesh



ICT based education


- ▶ ICT-based education: Bangladesh has made some progress in promoting ICT based education. *Secondary and Higher Secondary ICT based Education project has established 20,000 Multimedia MMCs comprising of 13,700 school, 5,200 madrasas and 1,600 colleges. Each MMC has at least one internet connectivity, one laptop and one multimedia. The Basic ICT Skills Transfer up-to-Upazila-level has set up computer labs at 192 educational institutions. It has provided training to 7,890 teachers as master trainers and to 112,189 students.*

ICT based education (Contd....)

- ▶ In addition, 12,500 teachers have been trained to create multimedia content. These teachers are creating and sharing multimedia contents through a Teacher's Portal (<https://www.teachers.gov.bd/>), which is a central repository for e-learning content for teacher training and for all students. Incentives, through public recognition of best contents, are being awarded to encourage teachers' participation. Digital World (international), Digital Innovation Fair (district and sub-district level), Education Leaders' Conference (international), and Teachers' Conference (national) are being organized.

Cooperation with ASEAN EC

- ▶ Although Bangladesh has been featured on the top 30 offshore locations ranking established by Gartner in 2011 and 2013, it is still seen as a tier-3 global sourcing destination, while countries like India and the Philippines are in the tier-1 league.
- ▶ With the help of ASEAN Economic Community, the market of Bangladesh can grow at even more faster pace.

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- ▶ AEC Blueprint 2025 will provide ASEAN with a new master plan for economic integration for the coming 10 years. Charting the region's trajectory over the next decade, institutions will be strengthened, commitments followed through with implementation, and monitoring and evaluation enhanced. Unique, dynamic and brimming with potential, ASEAN will assume its aspiring role as a key driver for regional as well as growth for developing countries



Thank you all
for
Patient hearing