

# **ASEAN Services Integration Post-2015: Opportunities & Challenges for Indonesia**

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**Perspectives on the Role of Services Integration to  
Supporting the Development of its Members**

**Wai Mun Hong**

**Senior Officer, Services and Investment Division**

**ASEAN Secretariat**

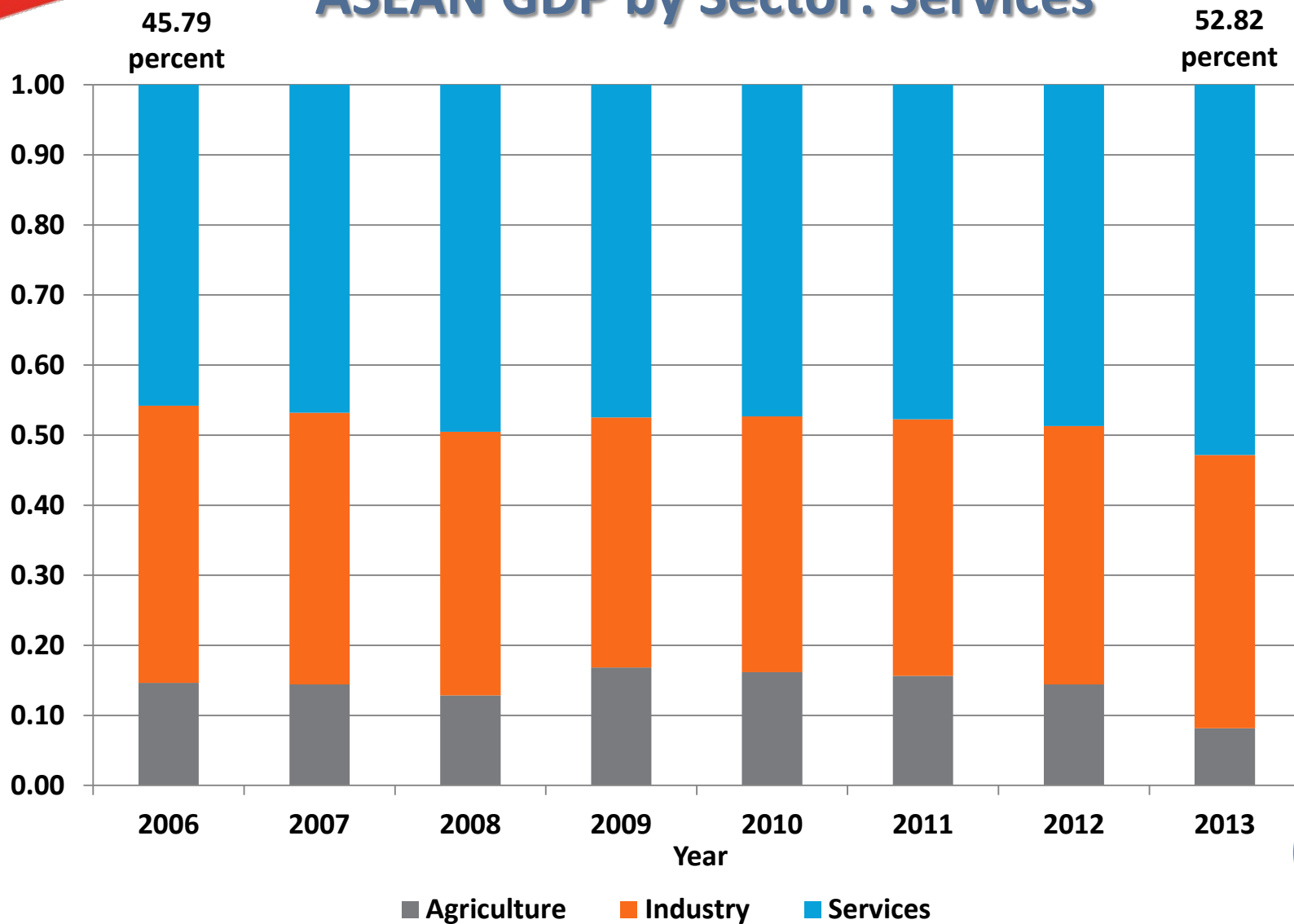


# Structure

- **ASEAN Trade in Services in figures**
- **ASEAN Framework Agreement on Services (AFAS)**
- **Complementary initiatives supporting ASEAN integration in trade in services**
- **How ASEAN integration in trade in services supports development of Members States**



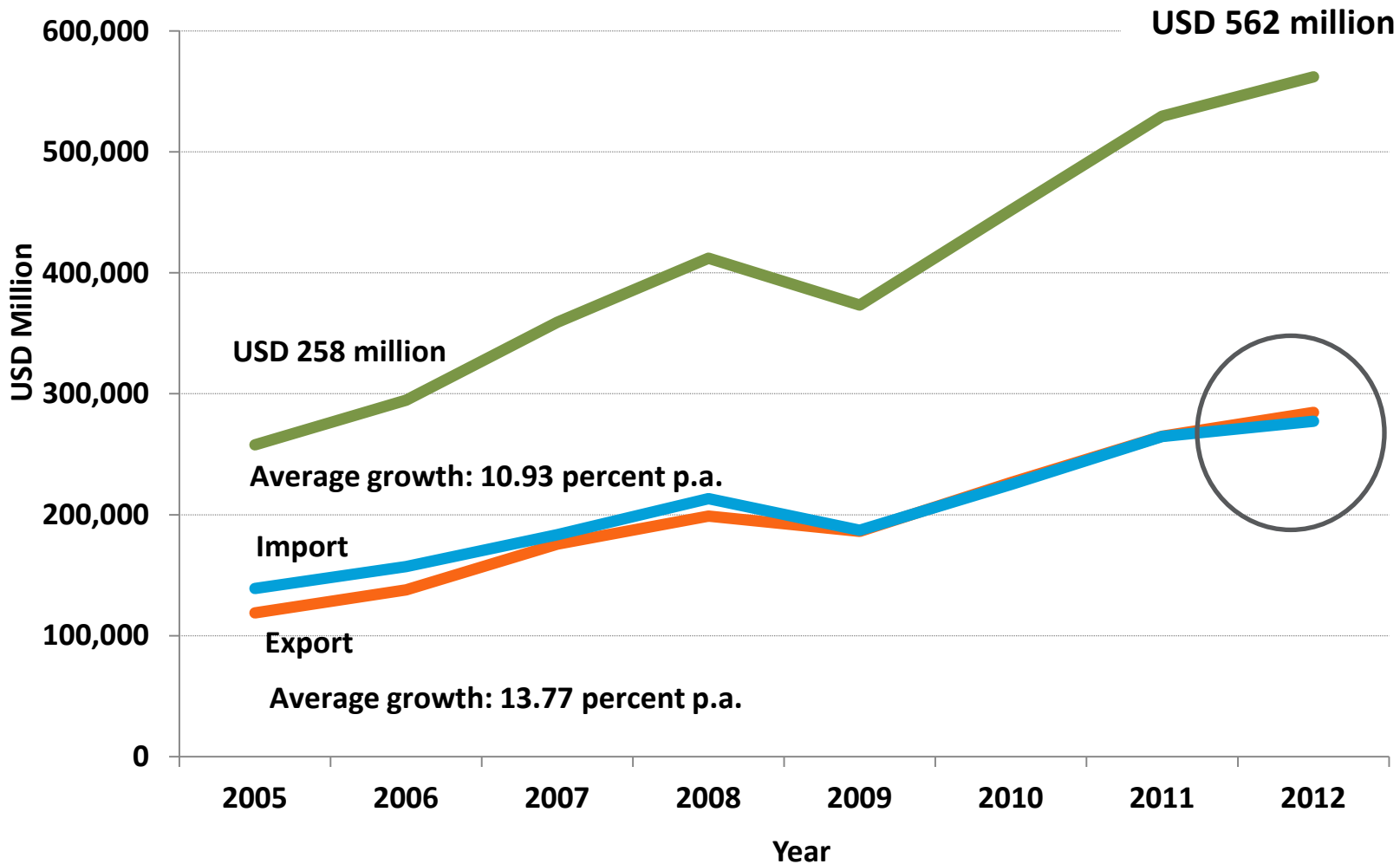
# ASEAN GDP by Sector: Services



Source: ASEANstats Database  
Note: Author's own elaboration.



# Trade in Services Trend in ASEAN

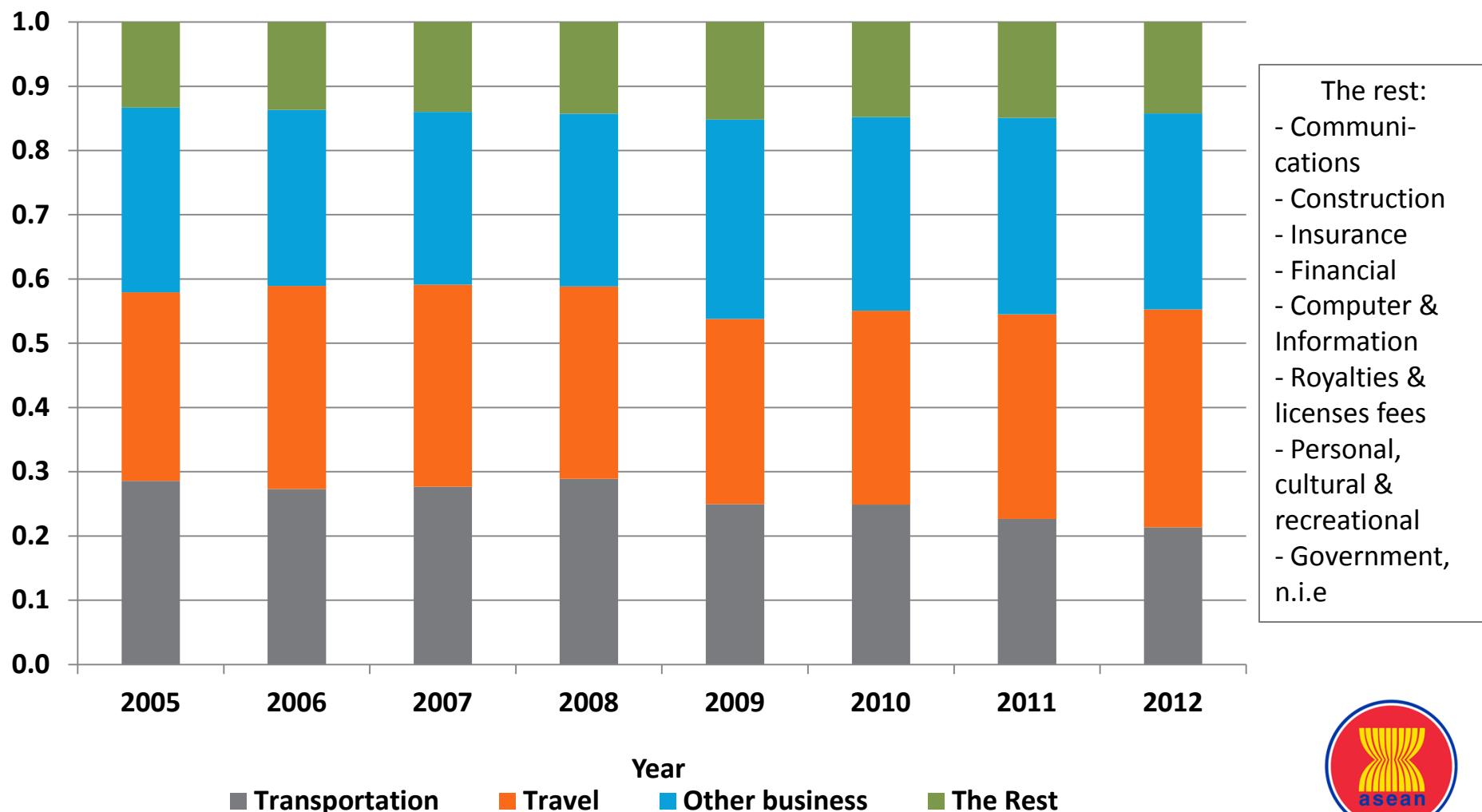


Source: ASEANstats Database

Note: (1) Author's own elaboration; (2) Average growth rates are based on author's own calculations.



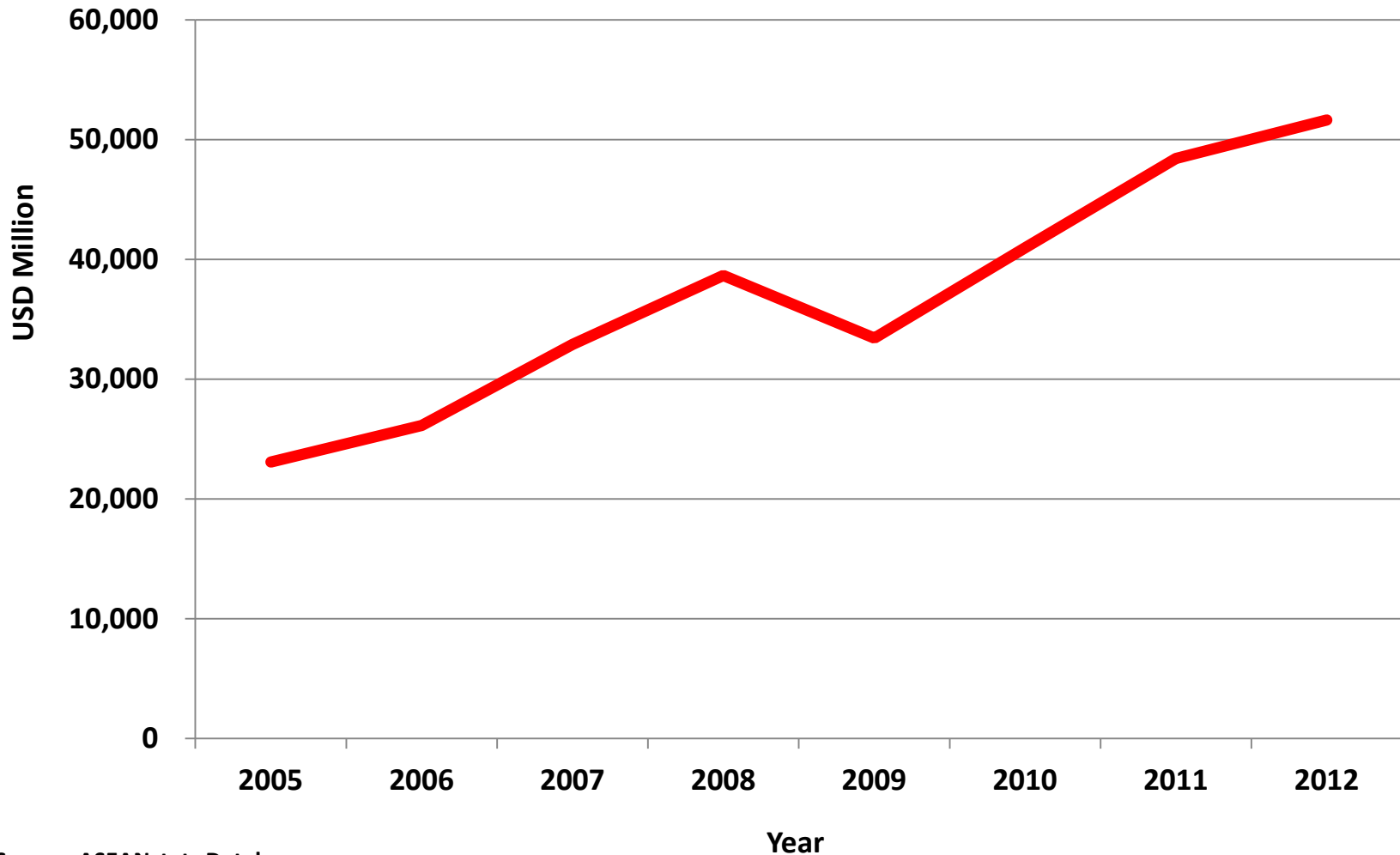
# Composition of ASEAN Trade in Services



Source: ASEANstats Database

Note: (1) Author's own elaboration; (2) The figures for The Rest are based on Author's calculations.

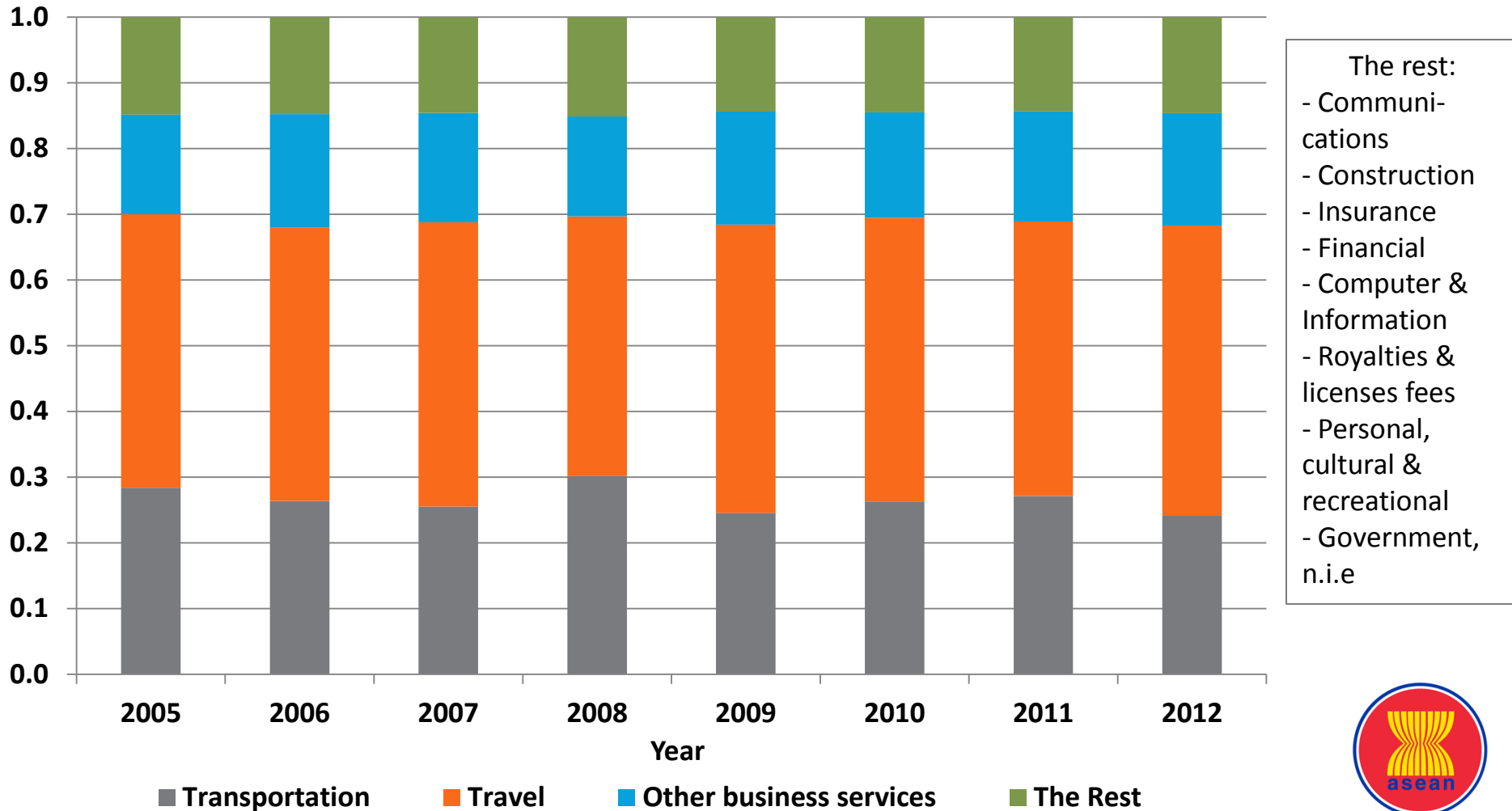
# Trend in Intra-ASEAN Total Trade in Services



Source: ASEANstats Database  
Note: Author's own elaboration



# Composition of Intra-ASEAN Trade in Services



Source: ASEANstats Database

Note: (1) Author's own elaboration; (2) The figures for The Rest are based on Author's calculations.



# ASEAN ECONOMIC COMMUNITY

## STRATEGIC SCHEDULE OF THE AEC BLUEPRINT (2008-2015)

### Pillar 1

#### **Single Market & Production Base**

- Free flow of goods
- **Free flow of services**
- Free flow of investment
- Freer flow of capital
- **Free flow of skilled labor**
- Priority Integration Sectors
- Food, agriculture and forestry

### Pillar 2

#### Competitive Economic Region

- Competition policy
- Consumer protection
- Intellectual property rights
- Infrastructure development
- Taxation
- E-Commerce

### Pillar 3

#### Equitable Economic Development

- SME development
- Initiative for ASEAN Integration

### Pillar 4

#### Integration into the Global Economy

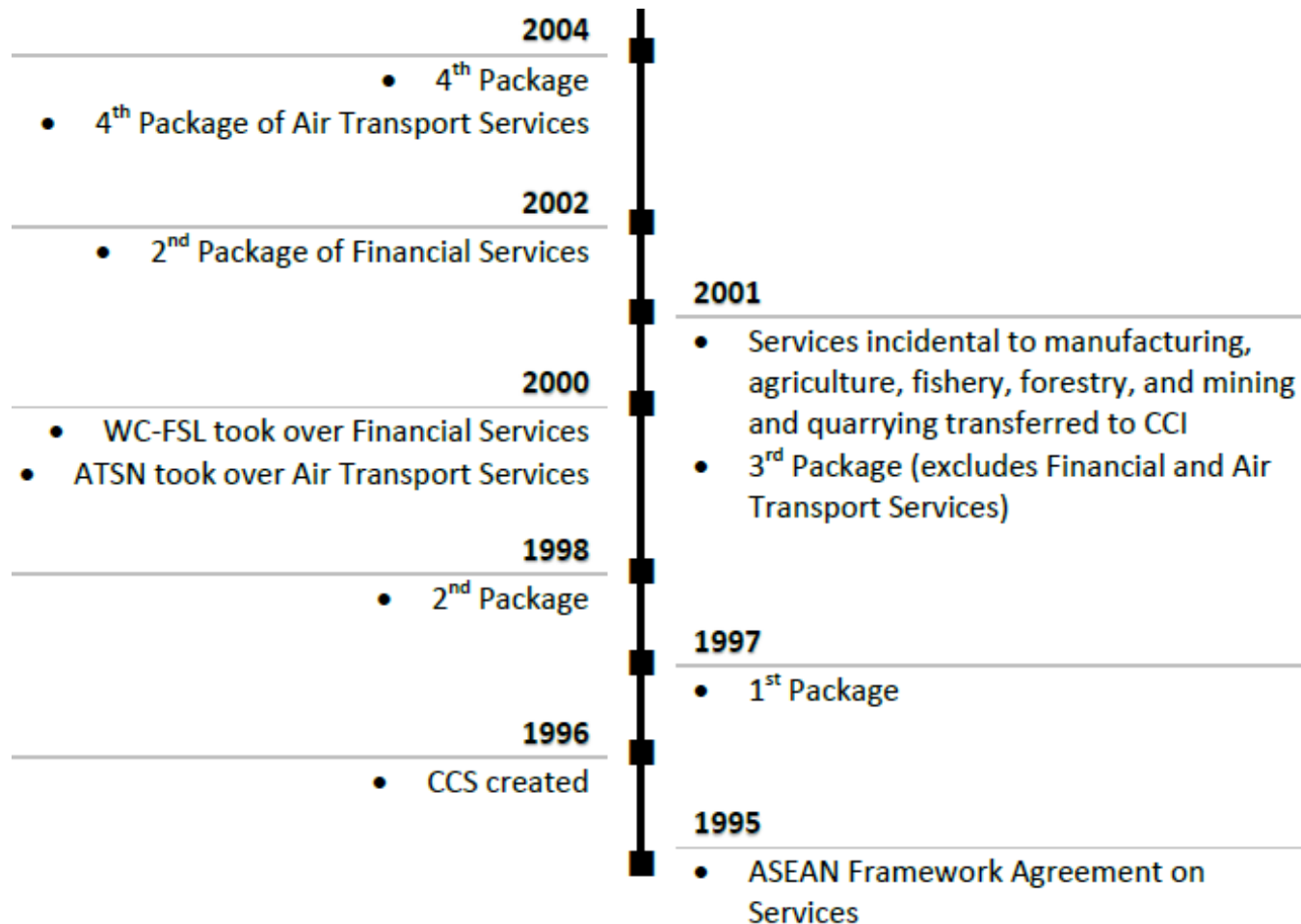
- Coherent approach towards external economic relations
- Enhanced participation in global supply networks

HUMAN RESOURCE DEVELOPMENT

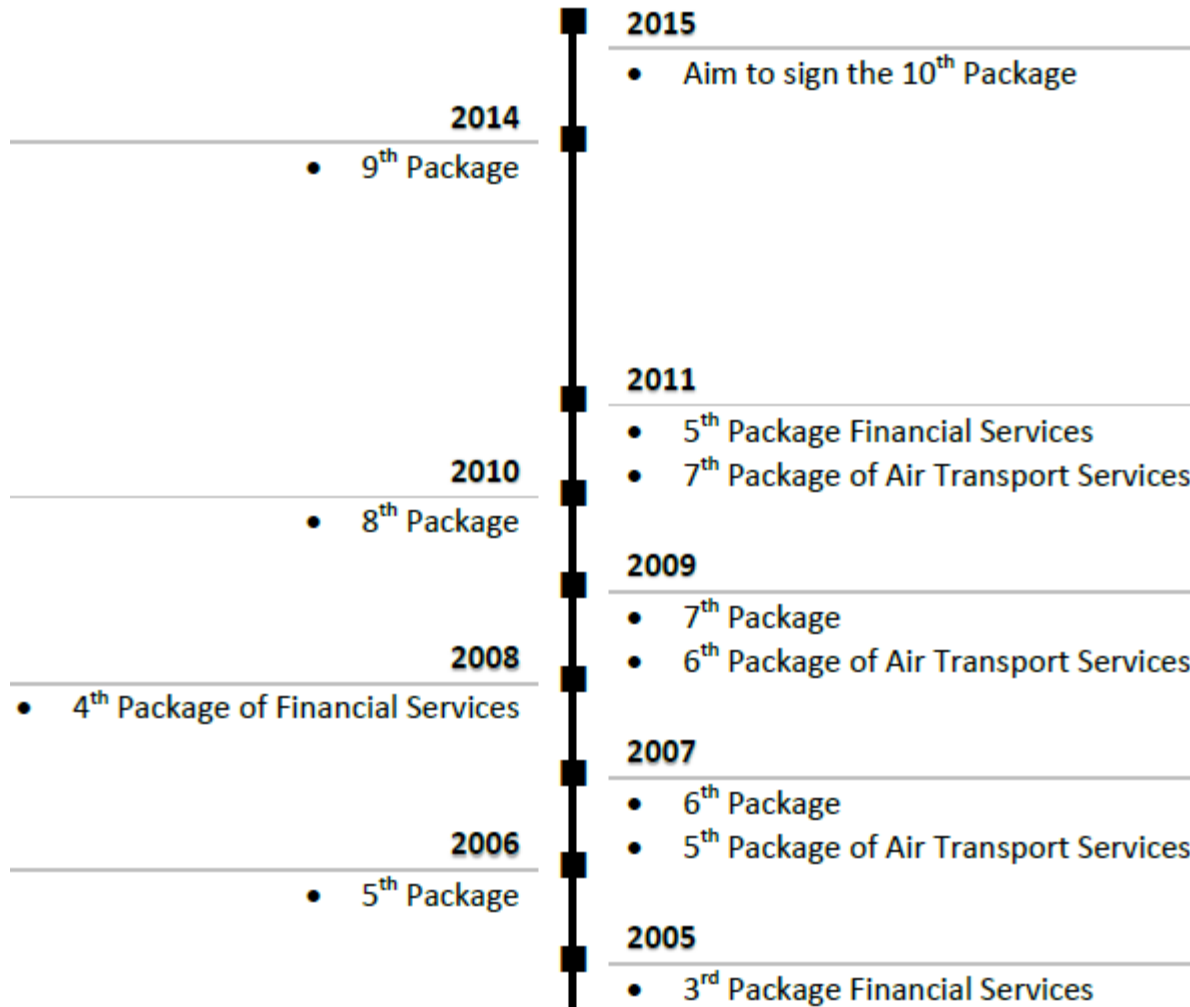
RESEARCH AND DEVELOPMENT



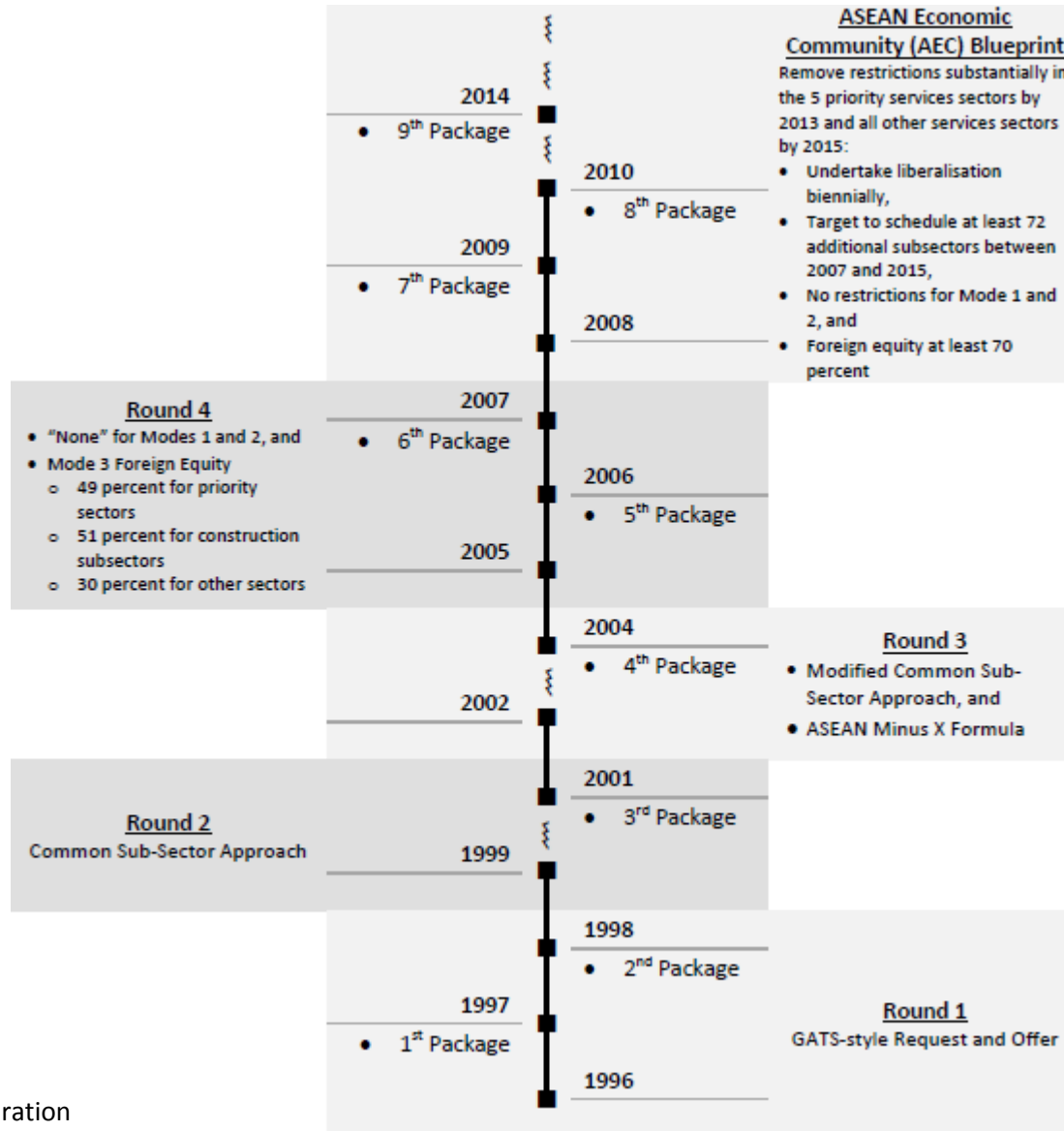
# ASEAN Framework Agreement on Services (1)



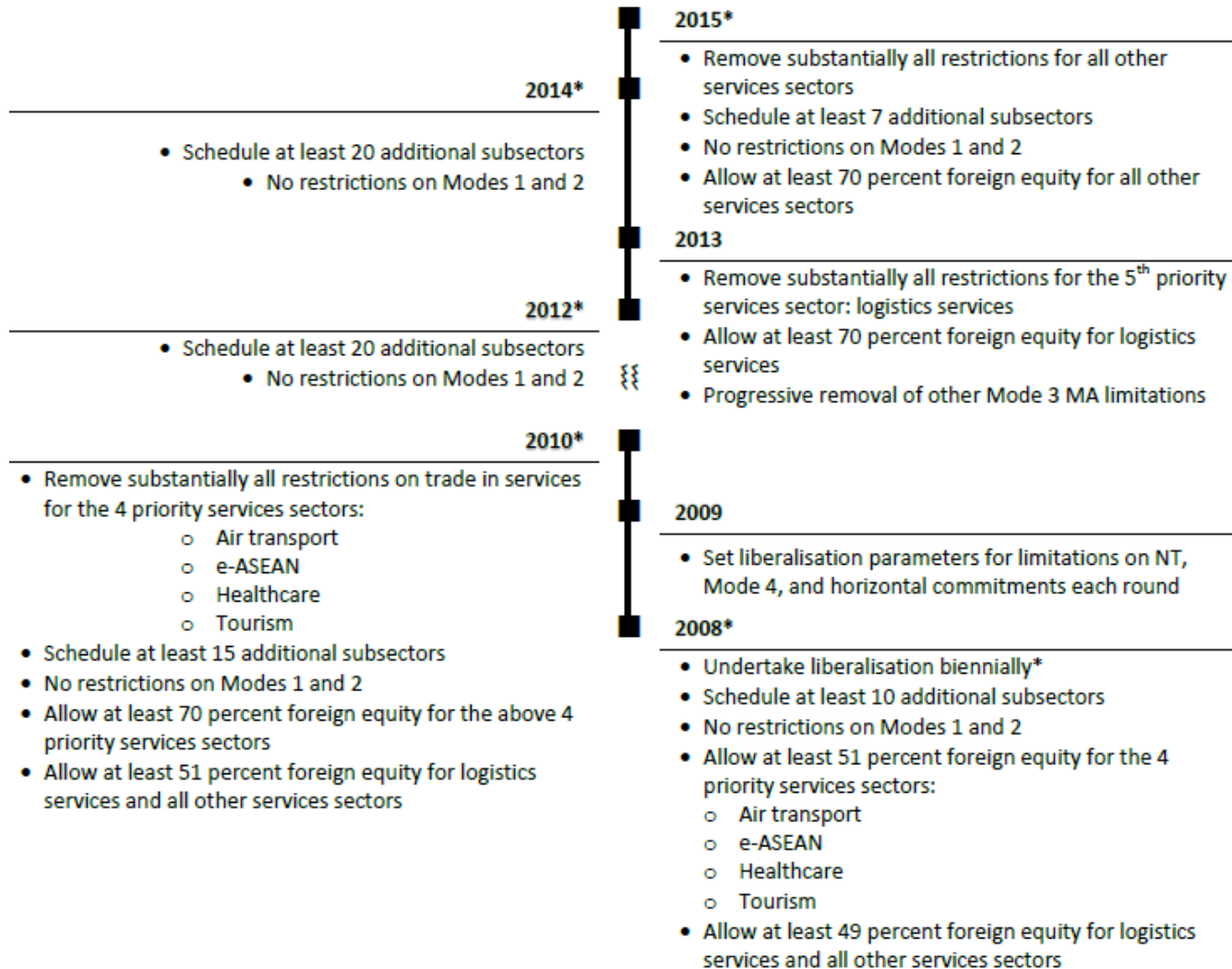
# ASEAN Framework Agreement on Services (2)



# AFAS Approaches



# ASEAN Economic Community Blueprint



# Complementary Initiatives

## 1. ASEAN Agreement on Movement of Natural Persons

- ASEAN Economic Ministers (AEM) signed the ASEAN Agreement on Movement of Natural Persons (MNP) in November 2012, Cambodia.
- The aim is to be effective mechanism to further liberalise and facilitate movement of natural persons toward free flow of skilled labour in ASEAN and to eliminate substantially all restrictions in the temporary cross-border movement of natural persons involved in trade of goods and services, and investment.



# Complementary Initiatives

## 2. ASEAN Agreement on Movement of Natural Persons

- ***MRA on Engineering Services***, on 9 December 2005 in Kuala Lumpur, Malaysia;
- ***MRA on Nursing Services***, on 8 December 2006 in Cebu, the Philippines;
- ***MRA on Architectural Services*** and ***Framework Arrangement for Mutual Recognition of Surveying Qualifications*** on 19 November 2007 in Singapore;
- ***MRA on Medical Practitioners*** and ***MRA on Dental Practitioners*** both on 26 February 2009 in Cha-am, Thailand.;
- ***MRA Framework on Accountancy Services***, on 26 February 2009 in Cha-am, Thailand and subsequently as ***MRA on Accountancy Services***, on 13 November 2014 in Nay Pyi Taw, Myanmar; and
- ***MRA on Tourism Professionals***, on 9 November 2012 in Bangkok, Thailand.



## Complementary Initiatives

### 3. ASEAN Qualification Reference Framework (AQRF)

- The proposed regional framework will function as a device to enable comparisons of qualifications across ASEAN Member States, meanwhile support and enhance each country's national qualifications framework or qualifications systems that are currently at varying levels of development, scope and implementation.
- Taking a close look at other related initiatives, including from different sectoral bodies and industry associations, the AQRF could also be used as a reference of possible linkage with other regional and international qualifications systems in future.



## How ASEAN integration in trade in services supports development of Member States?

- Opportunity to expand cross-border trade and investment in an increasing range of services subsectors
- Market consolidate to take advantage of economy of scale
- Consumers get to enjoy wider range and higher quality of services at more competitive prices
- ASEAN MRAs helped the development, establishment and improvement in regulatory system of the professional practices, and competences
- Similarly for AQRF







*Thank You*

