



## 2011 Survey on ASEAN Competitiveness

### Glossary of Terms related to ASEAN policy initiatives

**AEC:** ASEAN Economic Community – ASEAN’s goal to establish an AEC by 2015, which will be characterized by a single market and production base with free movement of goods, services, investment, skilled labour and freer flow of capital.

**AEC Blueprint (Q13):** A plan of action with clear timelines and targets for ASEAN members countries to implement various measures from 2008 onwards to establish an AEC by 2015.

**ASEAN-plus Free Trade/Economic Partnership Agreements (Q12 & Q14):** This refers to the free trade agreements or comprehensive economic partnership agreements signed between ASEAN and its dialogue partners. To-date, ASEAN has concluded agreements with Australia-New Zealand, China, India, Japan and South Korea.

### Terms used in Question 13:

**Eliminate tariffs:** remove import duties eventually on all products with substantial ASEAN value-added and traded among ASEAN countries, with some exceptions.

**Enhance transparency of non-tariff barriers:** non-tariff barriers (NTBs) include e.g. import licensing requirements and technical regulations. Transparency is enhanced by ASEAN member countries abiding with the procedures to submit notifications of NTBs and to set up an effective surveillance mechanism.

**Reform and enhance Rules of Origin:** “Rules of Origin” are the criteria used to define where a product was made. Simplification of the operational certification procedures include implementing self-certification by exporters that products satisfy the Rules of Origin.

**Simplify, harmonize & standardize customs procedures:** Measures will include adopting international standards and best practices to secure a uniform system of tariff classification, a synchronized system of value assessment for customs purposes and a harmonized system of origin determination, and the application of information and communication technology (ICT) for digitalized processing and information exchange. Such measures will culminate in the creation of the ASEAN Single Window, which is a single point of entry for traders to submit data and information for customs clearance.

**Harmonize standards, technical regulations and conformity assessment procedures:** align with international practices where applicable, with greater transparency, improved quality of conformity assessment and active participation of the private sector.

**Increase foreign equity participation in services sectors:** allow foreign equity participation by ASEAN-owned or qualified ASEAN-based companies of not less than 70 percent eventually for all services sectors.

**Develop & implement mutual recognition of professional qualifications:** identify, develop and implement mutual recognition arrangements for professional services (e.g. architectural services, accountancy services, medical and dental practitioners) to facilitate greater mobility of qualified services professionals in the region.

**Protect investors and their investments:** to strengthen provisions on investor-state dispute settlement mechanism and treatment of compensation of losses resulting from strife, among others.

**Establish transparent, consistent and predictable investment rules:** measures include to harmonize, where possible, investment policies to achieve industrial complementation and economic integration, streamline and simplify procedures for investment applications and approvals and promote dissemination of information on investment rules, policies and procedures.

**Promote joint investment missions that focus on regional clusters and production networks:** organize two inbound and two outbound investment missions annually, and promote regional clusters and production network through ASEAN industrial cooperation initiatives.

**Liberalize ASEAN member countries' investment regimes:** to harmonize investment measures to facilitate the movement of investments and progressively reduce/eliminate investment restrictions and impediments to realize free and open investment regime with minimal investment restrictions.

**Develop or enhance national competition policies to create a fair competition environment:** to introduce competition policy in all ASEAN member countries and establish a network of competition authorities to discuss and coordinate competition policies.