

ASEAN AGREEMENTS: OUTCOMES AND BENEFITS

The matrix enumerates the intended outcomes of four key agreements concluded in relation to the AEC. It also provides expected benefits resulting from the realization of the agreements.

Outcome Area	ASEAN Trade in Goods Agreement (ATIGA)	ASEAN Framework Agreement on Services (AFAS)	ASEAN Comprehensive Investment Agreement (ACIA)	ASEAN Agreement on the Movement of Natural Persons (AAMNP)
Liberalisation	Reduction/ elimination of tariff and non-tariff measures	Broadening and deepening of the levels of binding services commitments	Reduction/ elimination of impediments to investment	Commitment to review policies and guidelines
	<p>ASEAN-6 (Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand) have already eliminated ASEAN import duties for 99.65% percent of the tariff lines among ASEAN 6 countries (since January 2010).</p> <p>ASEAN is reviewing and simplifying the policies and regulations related to the Rules of Origin (ROO).</p>	<p>ASEAN undertakes rounds of negotiations to achieve increased coverage and higher levels of commitments on various services sectors.</p>	<p>ASEAN improves the investment environment via further reduction of restrictions in the reservation lists.</p>	<p>ASEAN continues to discuss possibilities to improve MNP commitments</p>
What it means to investors?	<ul style="list-style-type: none"> • Increased access to regional export markets, raw materials, production inputs • Cheaper production/ business costs • Stronger global supply chain which increases opportunities for specialization and exploitation of the economies of scale 		<ul style="list-style-type: none"> • Wider sector options to invest in • Opportunities for greater industrial complementation and specialization • Increased foreign equity participation in liberalized sectors 	<ul style="list-style-type: none"> • Higher possibilities of hiring qualified workforce • Complementation of foreign and local manpower
Facilitation	Facilitation of trade procedures		Adoption of international best practices in investment	
	<p>ASEAN is working towards, among others, customs integration and the establishment of the ASEAN Single Window.</p>		<p>ASEAN is committed to develop and implement measures that will better facilitate both direct and portfolio investments.</p>	
What it means to investors?	<ul style="list-style-type: none"> • Improved logistics and faster movement of goods 		<ul style="list-style-type: none"> • Improved procedures in doing business including start of investments, licensing, and incentives scheme 	

Outcome Area	ASEAN Trade in Goods Agreement (ATIGA)	ASEAN Framework Agreement on Services (AFAS)	ASEAN Comprehensive Investment Agreement (ACIA)	ASEAN Agreement on the Movement of Natural Persons (AAMNP)
Protection		Investment protection to all sectors		
		<p>ASEAN provides for the following:</p> <ul style="list-style-type: none"> ♣ Fair and equitable treatment and full protection and security ♣ Compensation of losses in cases of civil strife, armed conflict ♣ Transfer of funds relating to covered investment freely and without delay ♣ Prompt, adequate, and effective compensation in the event of expropriation ♣ Recourse to international arbitration and procedures in the settlement of disputes 		
What it means to investors?		<ul style="list-style-type: none"> • Better security of investments arising from improved legal infrastructure • Greater investor confidence 		
Transparency and Predictability	Greater clarity in scope and coverage, clear transparency disciplines, and publication of relevant measures			
	<p>ASEAN is committed to consistently making available to all interested parties all rules and procedures relating to trade</p> <p>Reduction and/or elimination of import duties are clearly set out and defined in the schedule</p>	<p>ASEAN guarantees market access and national treatment for the sectors/ subsectors at the level set out in the schedules of commitments.</p>	<p>ASEAN is committed to publish all relevant investment laws, regulations, and guidelines. ASEAN is also establishing enquiry points for all investors.</p> <p>Market access is clearly set out through a single reservation list.</p>	<p>ASEAN provides for transparent procedures for the applications for immigration formalities for temporary entry or stay of natural persons.</p> <p>General conditions and limitations related to the temporary entry or temporary stay of natural persons which may include business visitors, intra-corporate transferees, contractual services suppliers and other categories of natural persons, are provided.</p>
What it means to investors?	<ul style="list-style-type: none"> • Easier access to data and information allowing greater predictability for business planning • Increased opportunities to provide feedback and recommendations on matters impacting to investments • Greater possibilities for public-private sector collaboration 			