

Supporting Equitable Development in ASEAN: Impact of Regional Integration on CLMV Countries

Facilitating Trade to Narrow Development Gaps in ASEAN

Researchers:

Dr. Heng Pheakdey and Dr. Chheang Vannarith

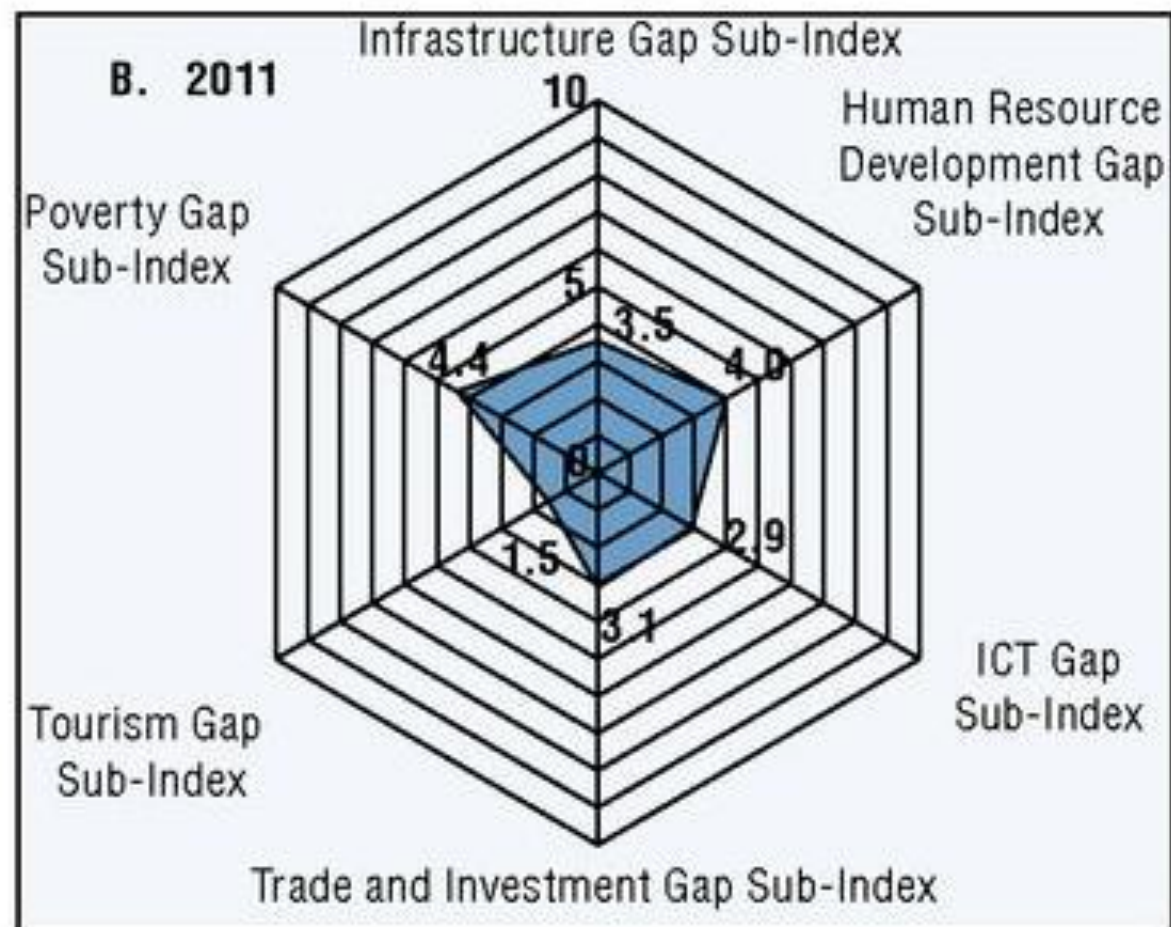
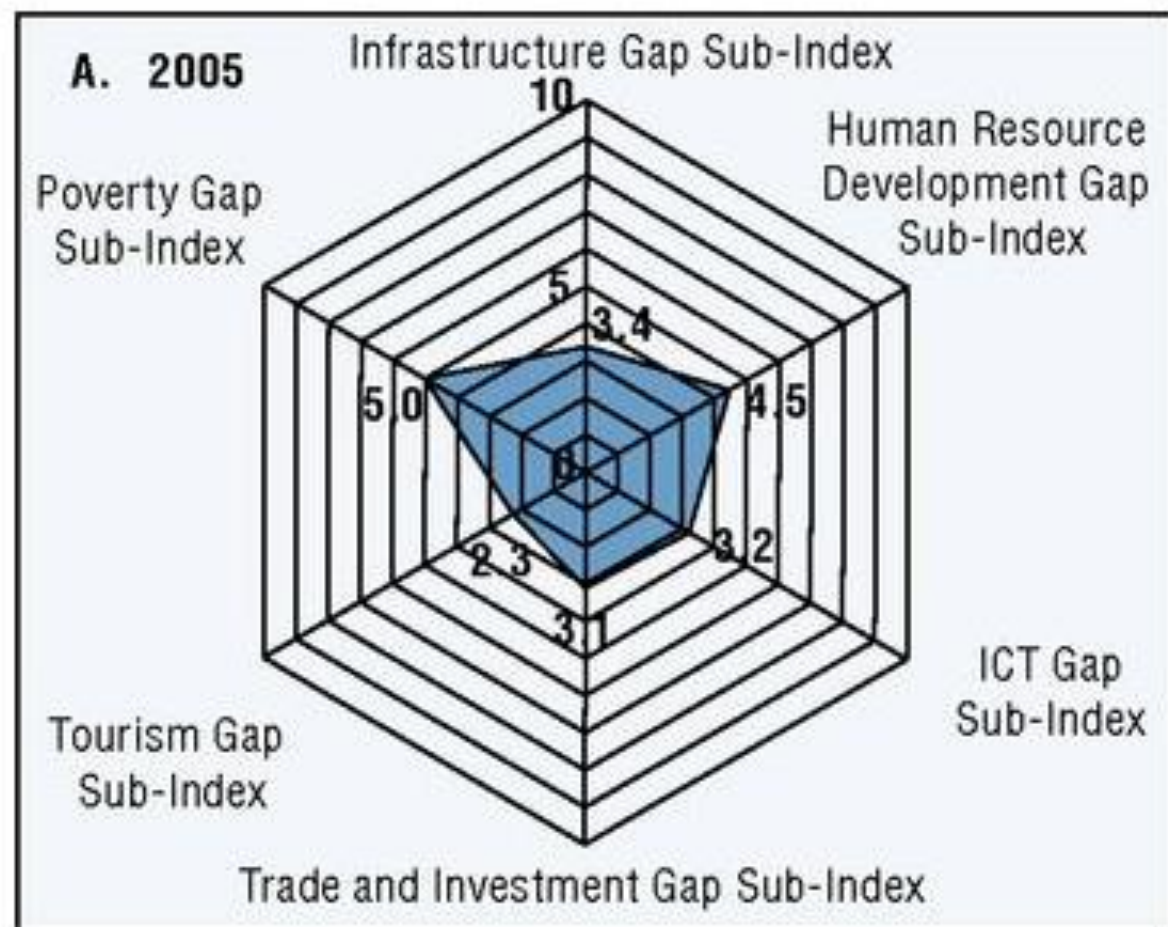
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ASEAN Development Gaps

- Narrowing social disparities and economic development gaps between countries are key challenges facing ASEAN
- Member countries differ in their levels of development, political systems, investment environments and economic structures.
- Their domestic agendas also often take precedence over regional integration.
- The OECD examines the development differences and disparities in ASEAN, particularly between the prosperous, more highly developed group of countries (the ASEAN-6) and the more recent, less developed member countries of Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV).
- The Narrowing Development Gaps Indicator (NDGI) is designed by the OECD Development Centre and the ASEAN Secretariat to measure progress, or lack thereof, in closing development gaps between countries and over time.
- The NDGI encompasses six policy areas – infrastructure, human resource development, information and communication technology (ICT), trade and investment (regional economic integration), tourism and poverty.

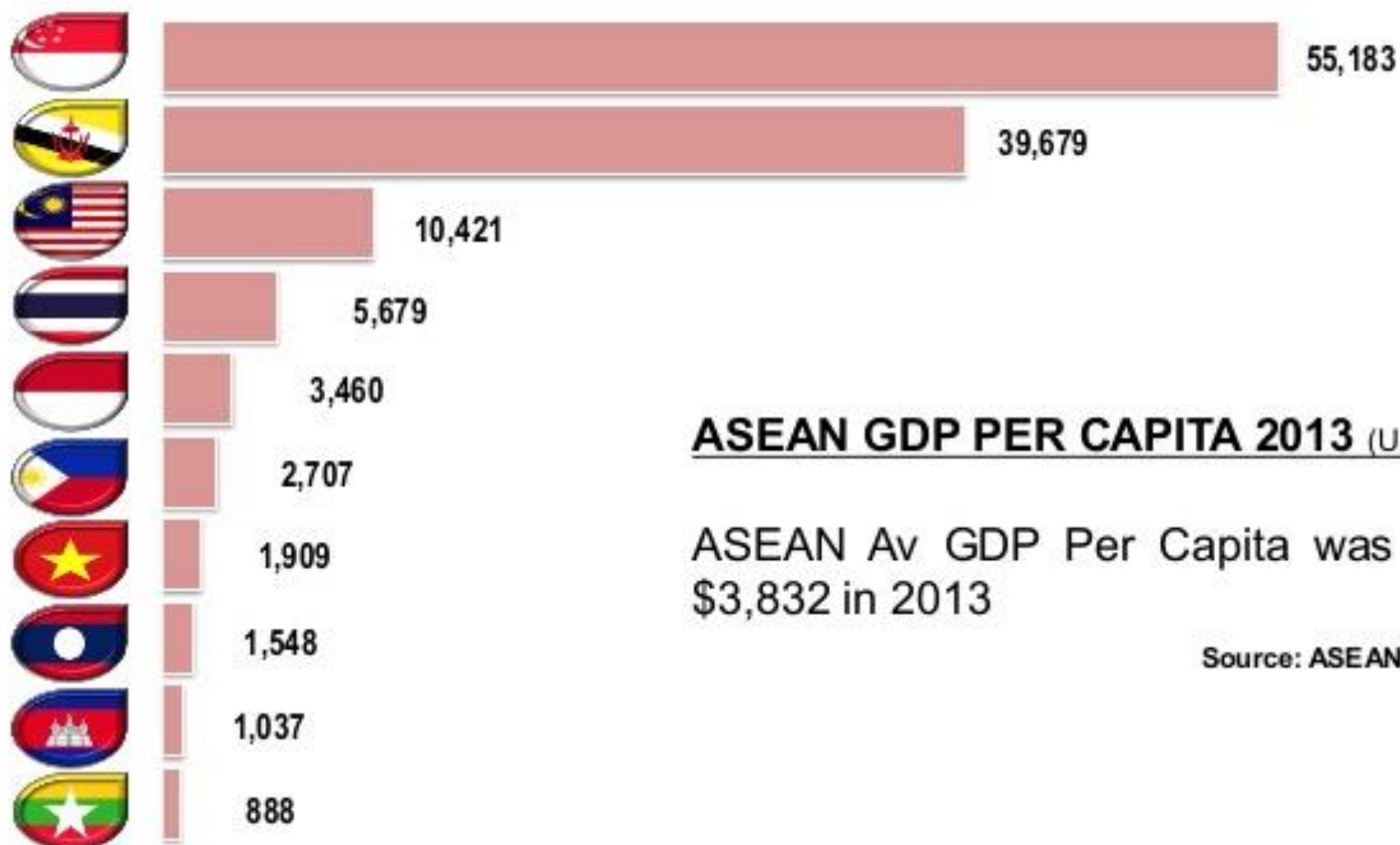
Figure 3.1. Narrowing Development Gap Indicators (NDGIs):
disparities between ASEAN-6 and CLMV



ASEAN Dual Disparities

- Vietnam has been the most successful CLMV country in both closing the gap on the wealthier ASEAN countries and reducing domestic disparities.
- Cambodia has been relatively slow in catching up with ASEAN-6 but it has been successful in reducing income inequality at home.
- Loa PDR has caught up fast but only at the cost of widening domestic income disparities.

Economies at different stages of development



ASEAN GDP PER CAPITA 2013 (US\$)

ASEAN Av GDP Per Capita was US
\$3,832 in 2013

Source: ASEANStat

Trade and Development

- Trade can help boost development and reduce poverty by generating growth through increased commercial opportunities and investment, as well as broadening the productive base through private sector development
- Trade enhances competitiveness by helping developing countries reduce the cost of inputs, acquire finance through investments, increase the value added of their products and move up the global value chain.
- Trade creates employment opportunities by boosting economic sectors that create stable jobs and usually higher incomes, thus improving livelihoods.

Trade Facilitation in the AEC Blueprint

- Assess trade facilitation conditions in ASEAN;
- Develop and implement a comprehensive trade facilitation work program which aims at simplifying, harmonizing and standardizing trade and customs, processes, procedures and related information flows;
- Promote transparency and visibility of all actions and interventions by all stakeholders within international trade transactions;
- Establish a regional trade facilitation cooperation mechanism;
- Establish ASEAN Trade Facilitation Repository;
- Develop national level measures to support and ensure effective implementation of regional level initiatives; and
- Develop a comprehensive capacity building programs to ensure smooth implementation of the work program.

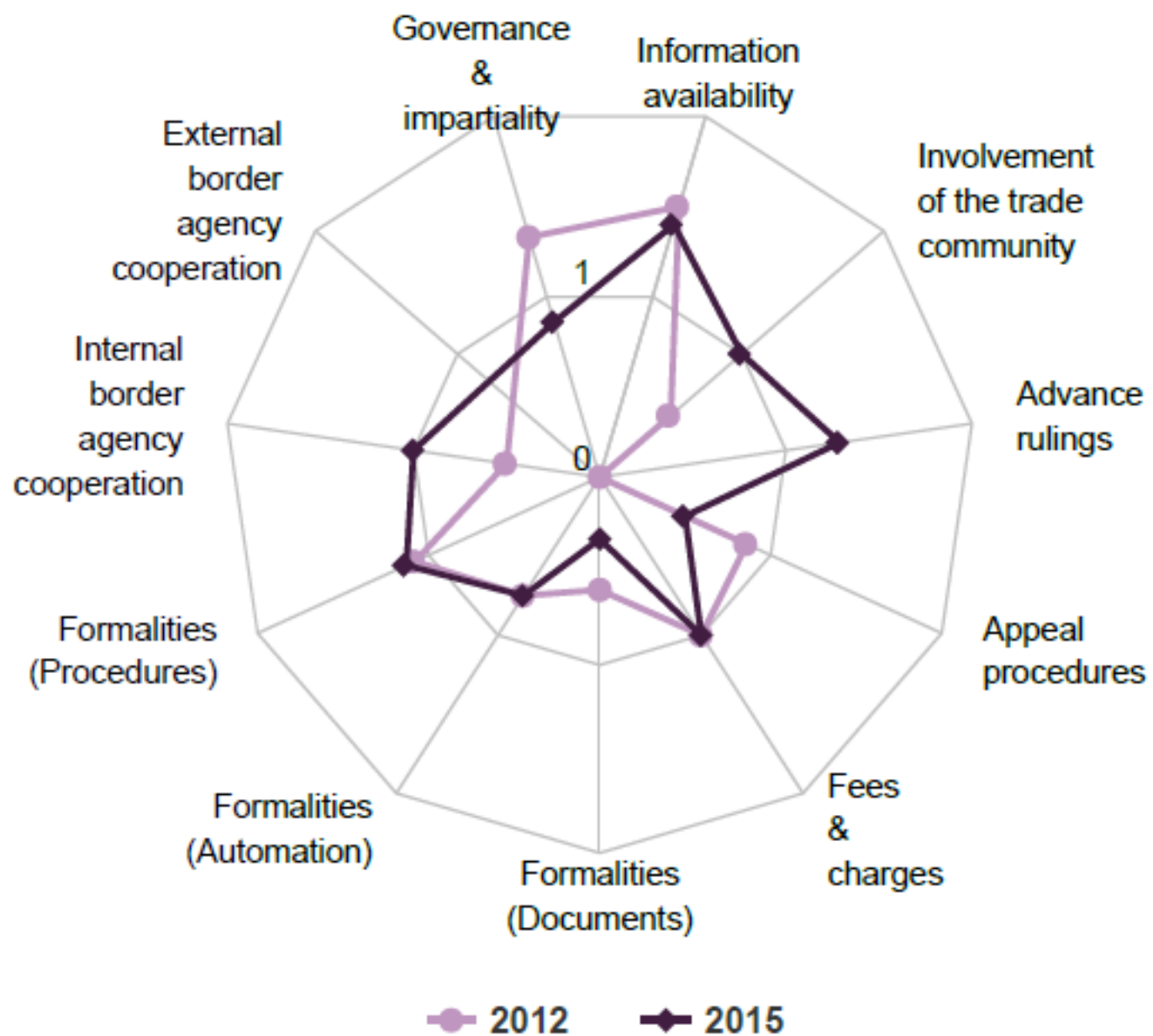
OECD Trade Facilitation Indicators

To help governments improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade, OECD has developed a set of trade facilitation indicators that identify areas for action and enable the potential impact of reforms to be assessed.

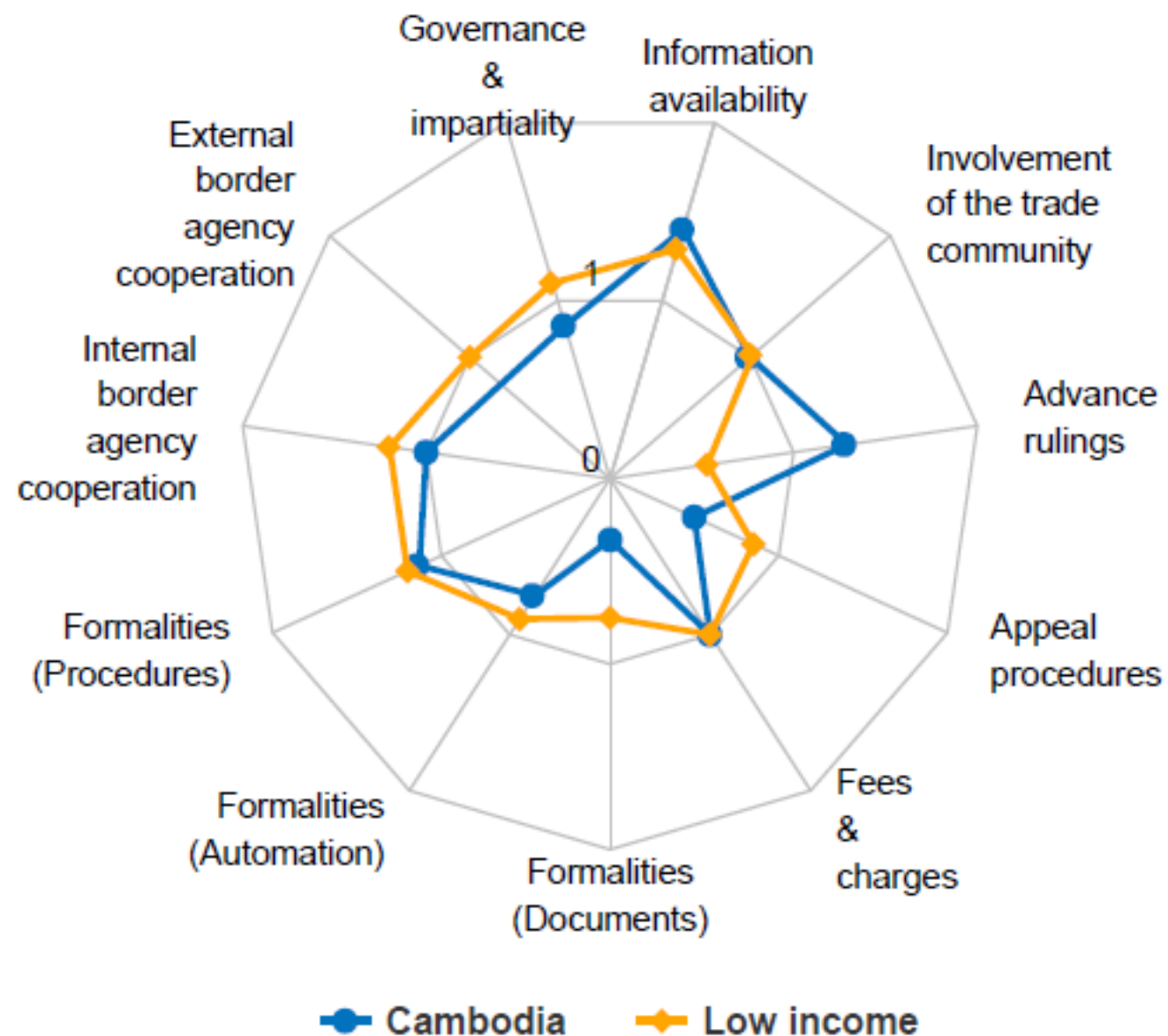
OECD Trade Facilitation Indicators

Indicators	Explanation
Information Availability	Enquiry points; publication of trade information, including on Internet
Involvement of the Trade Community	Consultations with traders
Advance Rulings	Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements
Appeal Procedures	The possibility and modalities to appeal administrative decisions by border agencies
Fees and Charges	Disciplines on the fees and charges imposed on imports and exports
Formalities – Documents	Acceptance of copies, simplification of trade documents; harmonization in accordance with international standards
Formalities – Automation	Electronic exchange of data; use of risk management; automated border procedures
Formalities – Procedures	Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorized economic operators
Internal Co-operation	Control delegation to Customs authorities; co-operation between various border agencies of the country
External Co-operation	Co-operation with neighboring and third countries
Governance and Impartiality	Customs structures and functions; accountability; ethics policy

Country trend 2012 - 2015

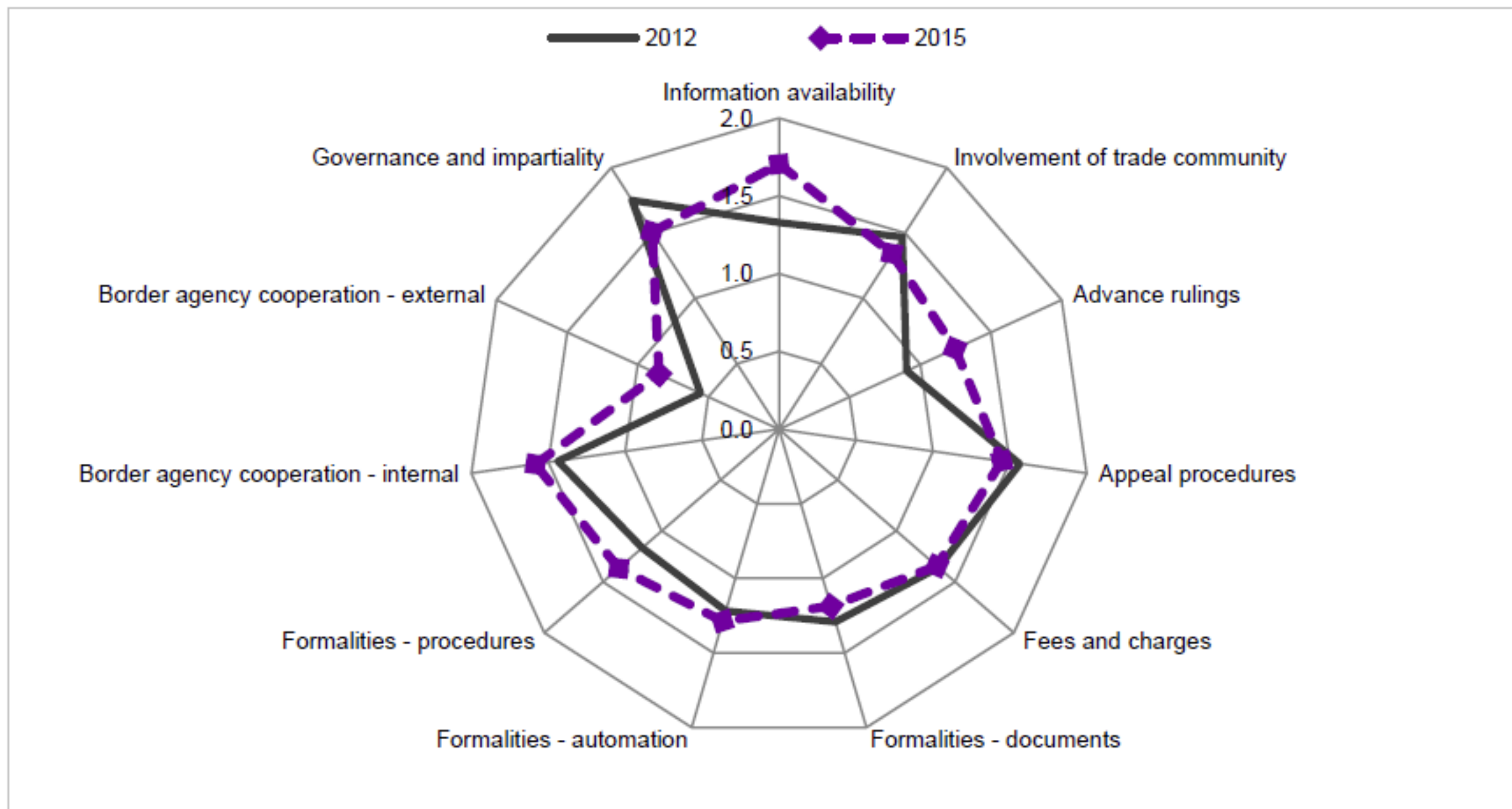


Country performance, latest available year.
2 = best performance that can be achieved.



ASEAN's Trade Facilitation Performance: OECD Trade Facilitation Indicators, 2012 and 2015

TFIs values range from 0 to 2, where 2 corresponds to the best performance that can be achieved



Research Questions

- What lessons learned can Cambodia share with ASEAN on areas that it does well in trade facilitation?
- What measures need to be taken to improve on areas that Cambodia under-perform?
- What are capacity building needs for Cambodia to accelerate trade facilitation?

Research Method

- Literature review and content analysis of regional and national trade related policies
- Interview with the following key stakeholders:
 - Ministry of Commerce
 - Ministry of Finance and Economy
 - Council of Minister
 - Cambodian Investment Board, CDC
 - Supreme National Economic Council
 - European Chamber of Commerce
 - Phnom Penh Special Economic Zone
 - International Finance Corporation

Timeline

Time	Activities
May-June 2016	Literature reviews and conceptual framework construction
July-August 2016	Content Analysis of the existing regional and national policy on trade facilitation
September-October 2016	Field Interviews in Cambodia
November-December 2016	Report Writing
Date to be confirmed	Result dissemination

THANK YOU

CONTACT:

Dr. Heng Pheakdey,

hengpheakdey@yahoo.com

Dr. Chheang Vannarith,

chheangcam@gmail.com