

# ECONOMIC PARTNERSHIP AND INTEGRATION MOVING TOWARDS AN ECONOMICALLY INTEGRATED COMMUNITY

## STUDENT GROUP 3

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Deeper integration within the Asian region envisions the elimination of barriers that restrict the free flow of trade in goods, services, labor, and investment. Despite significant reductions in the region's tariffs, it is vital to eliminate non-tariff and non-border barriers. Likewise, coordinated monetary and fiscal policy implementation is a potent tool to maximize the benefits of integration.

Given the slow progress of economic integration, conventional strategies need reconsideration. The present approach of imposing blanket policies and rigid standards upon diverse countries has resulted in an uneven distribution of trade agreement benefits, limited intra-regional trade, and persisting development gaps between countries.

In order to catalyze integration, policy-makers must cater to the different needs and capacities of each nation. This requires country-specific and flexible targets involving the reduction of tariff and non-tariff barriers (including environmental standards, labor standards, product quality standards, intellectual property rights). Thus, developing countries currently unable to meet the inappropriately stringent standards due to resource constraints and deficiencies in human resource and infrastructure development will be accommodated.

It is also noted that relying solely on traditional trade liberalization methods may pose threats to economic integration. Thus, complementary policies that seek to address current deficiencies present in developing countries should be implemented. Sectors that must be given attention include transportation and energy infrastructure, human resource development, information and communication technology, and trade policy harmonization.

However, ineffective enforcement mechanisms will undermine the abovementioned efforts. Presently, the complete reliance on voluntary and non-binding policies is extremely problematic. This has caused unhealthy competition amongst member states, inconsistent trade/ investment policies and a lack of political will. The proposed solutions are to create a dispute settlement mechanism, to grant enhanced autonomy to a central authority, and to close legal loopholes.

In conclusion, the diverse economic and sociopolitical conditions of Asian countries call for custom-made policies that guarantee equitable benefits to each nation in order to bring us closer to a better Asia and realize the prospect of an "Asian century".

