



ASEAN in the Global Economy

a half century journey

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Economic Shifts: 1970—2022

Over the last half century we have witnessed a global economic transformation.

A few countries that once held predominant influence in the world's economic landscape during the early 1970s have gradually relinquished their positions to emerging economies. These emerging economies have increased their shares in the world economy, both in significance and pace.

The shift is evident in their declining global shares across three key economic metrics:

- Total output (gross domestic output, GDP)
- Trade in goods
- Manufacturing value added

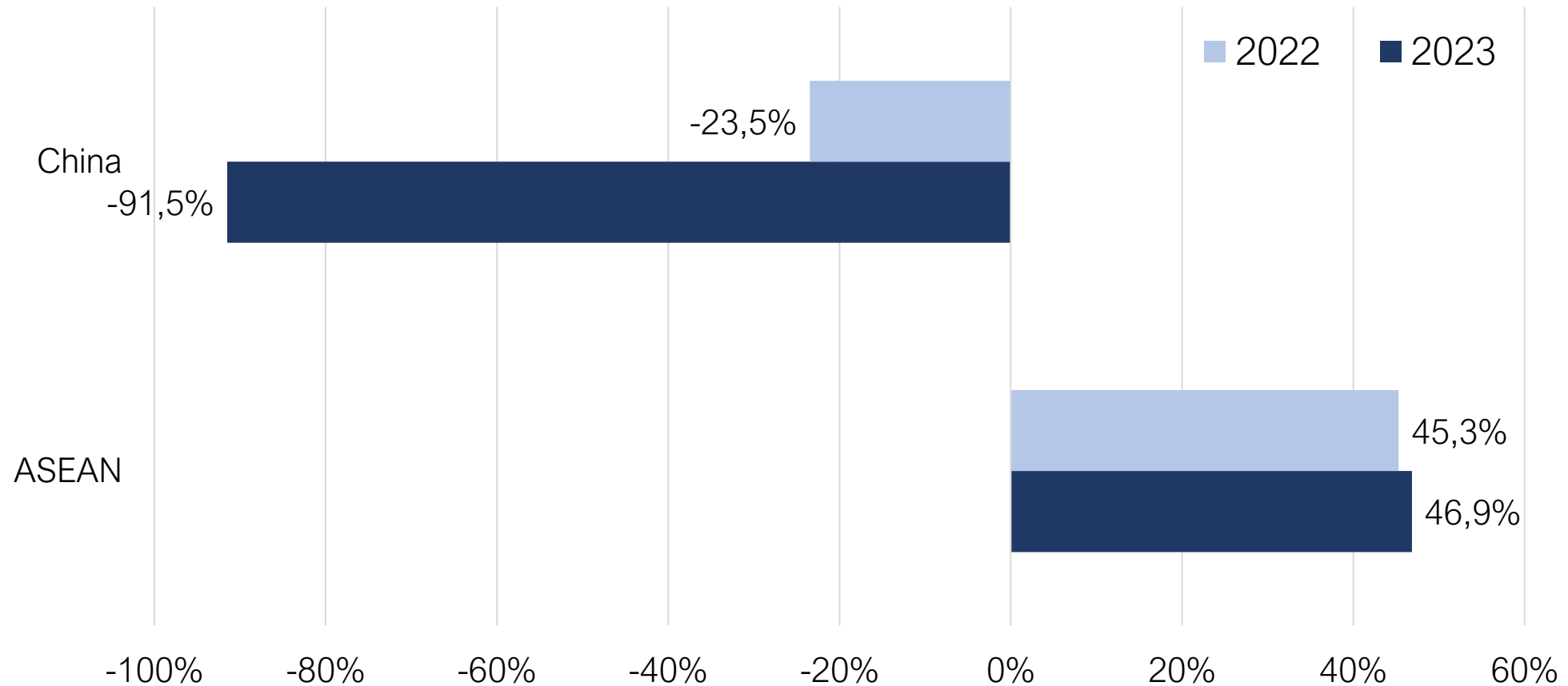
Source: Ing and Lin, Economic Transformation in 'New Global Economic Order'
<https://www.eria.org/research/economic-transformation-and-a-new-economic-order>

ASEAN's Potential

in Semiconductor and Digital Economy

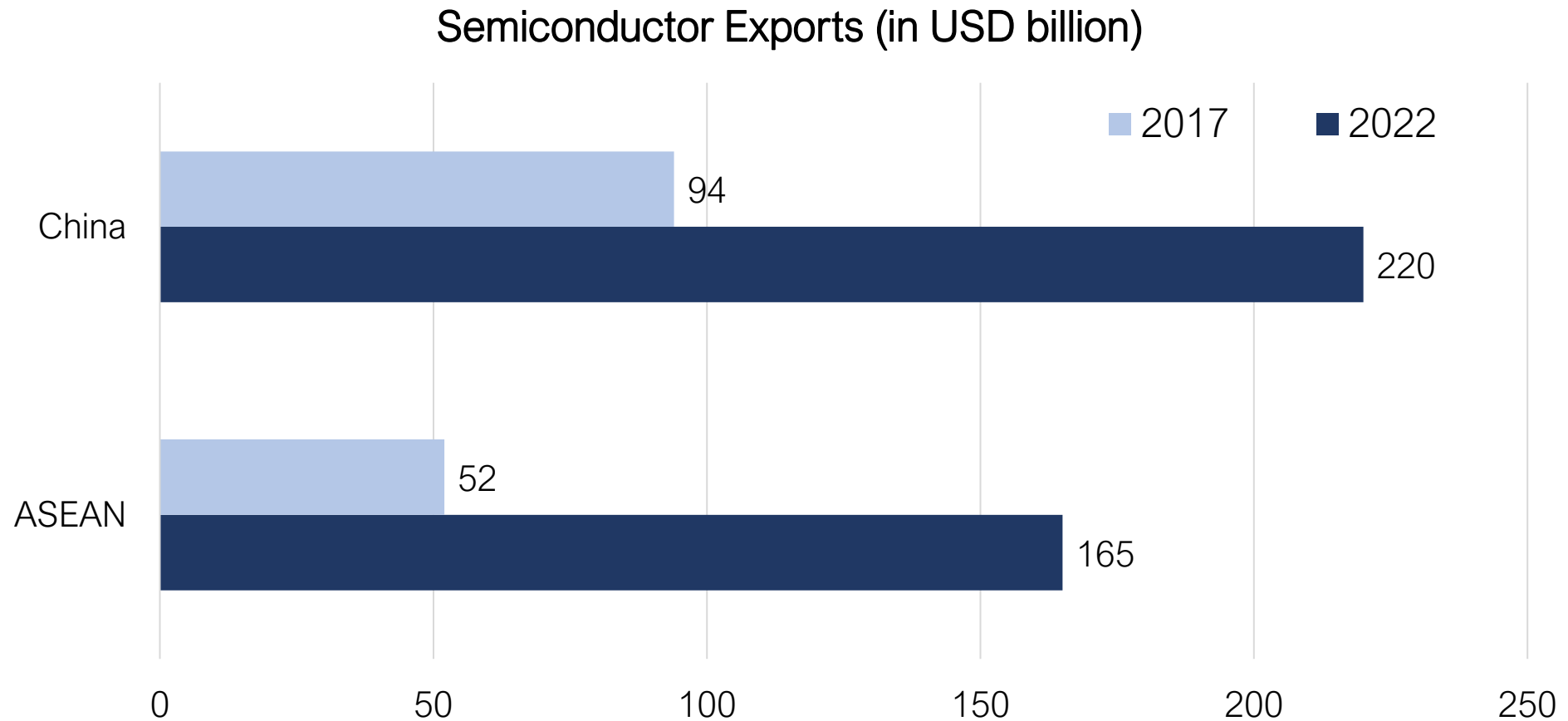
Changes in Total FDI, after and before US—China tensions

2022 and 2023 compared to 2018



Source: ERIA Staff Calculations from EIU Database [accessed 8 January 2024]

ASEAN's Potential in Semiconductor



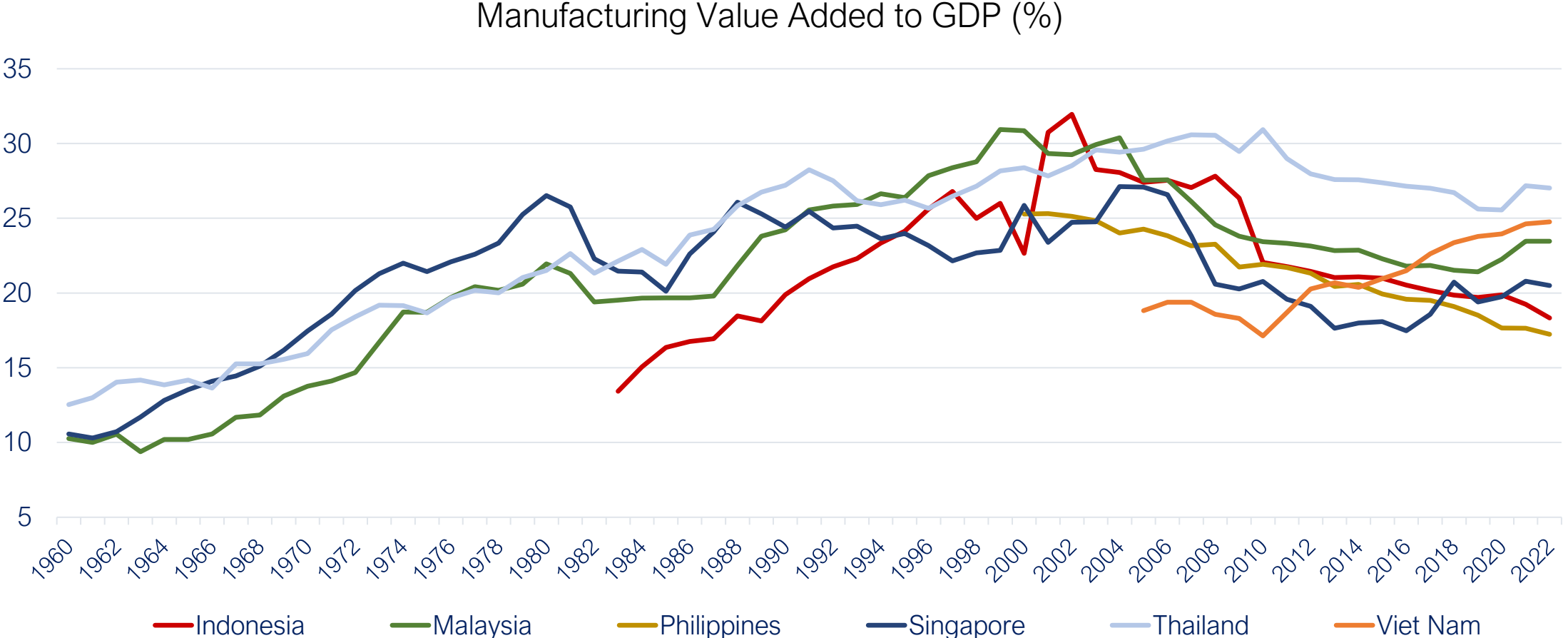
Source: ERIA Staff Calculations based on WITS Database [accessed 12 September 2023], semiconductor exports: HS 8541 and 8542

ASEAN's Potential in Digital Economy

- In 2023, ASEAN has 679mn population, 70% of which are internet users
- In 2023, the digital economy was recorded at USD 259 billion
- By 2030, ASEAN's digital economy will reach USD 1 trillion.

Challenges for ASEAN

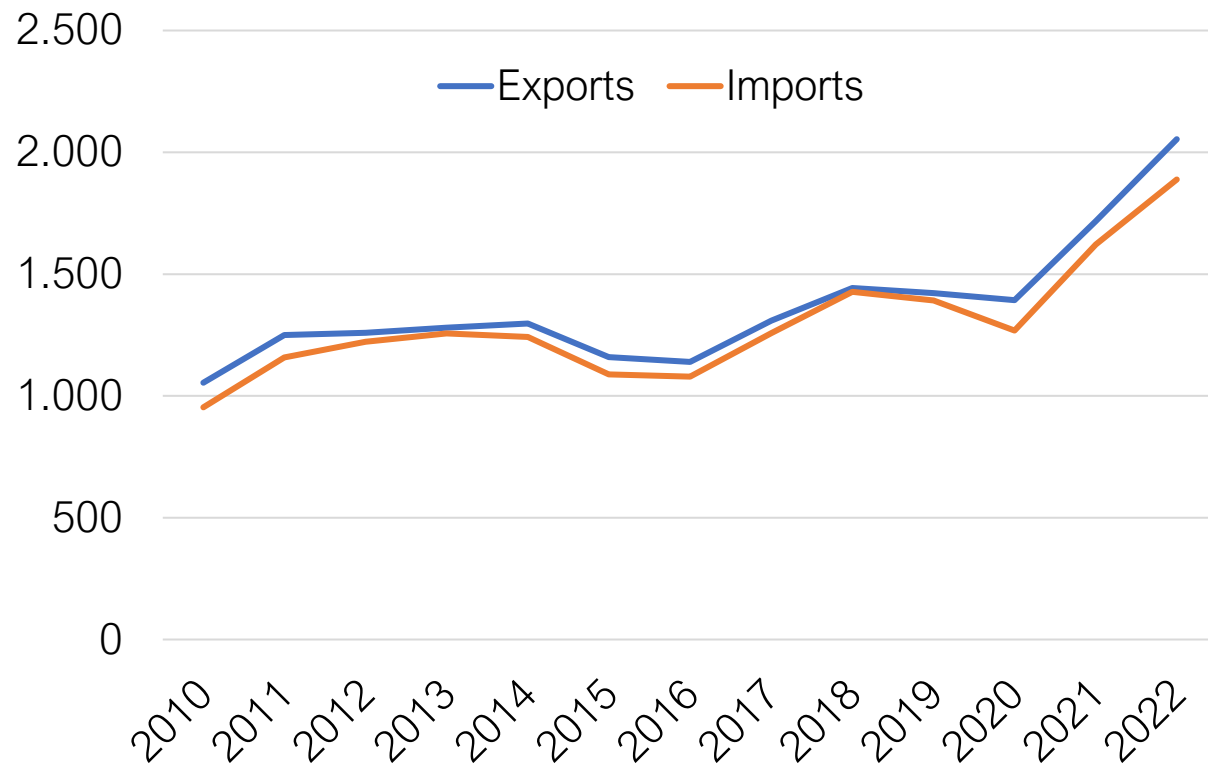
Challenge 1: Level up manufacturing value added?



Source: World Development Indicators, World Bank [accessed 31 October 2023]

30% of ASEAN's exports are still resource intensive

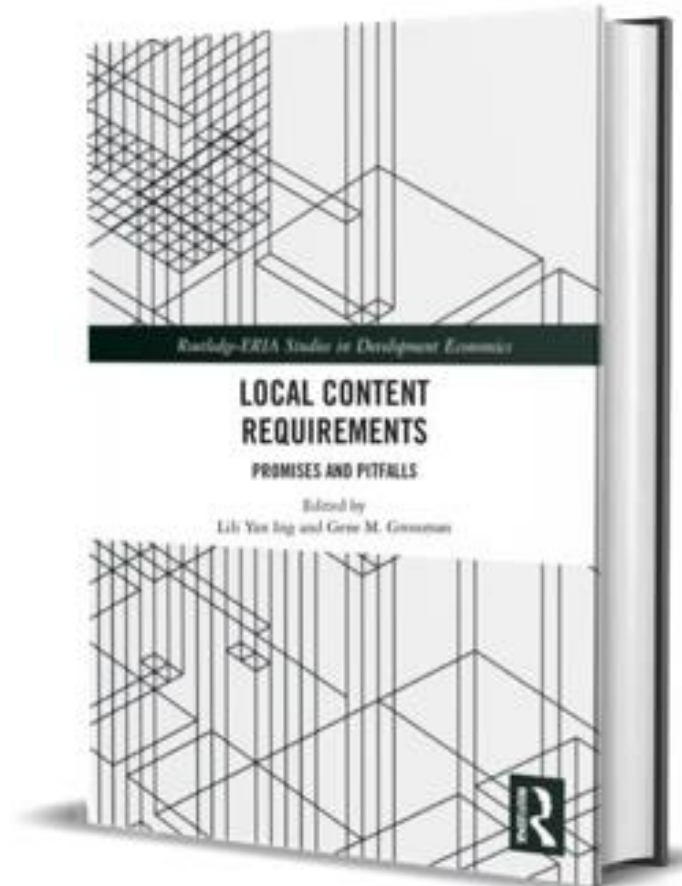
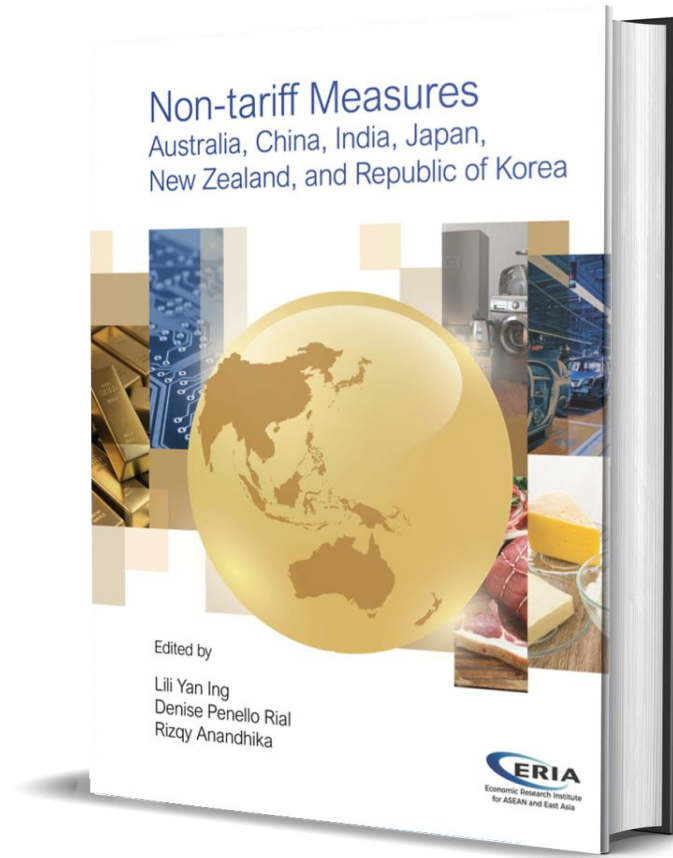
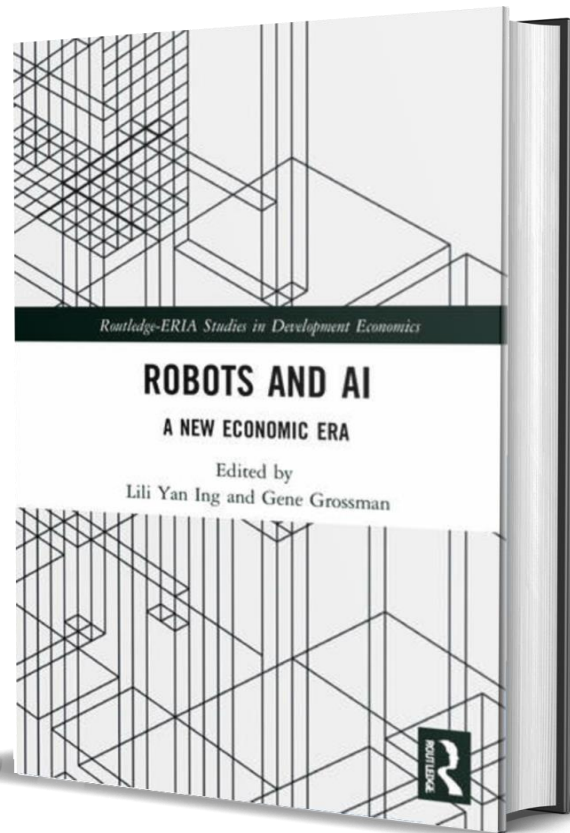
Value of Total ASEAN's Exports and Imports to the World (USD bn)



Volume of Total ASEAN's Exports and Imports to the World (billion KG)



Source: International Trade Center and WITS Database [accessed 15 January 2024]



Thank You

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ASEAN's Free Trade Agreements

No	FTA	In Effect
1	ASEAN Free Trade Area	Jan 1993
2	ASEAN-China	July 2005
3	ASEAN-South Korea	June 2007
4	ASEAN-Japan	Dec 2008
5	ASEAN-Australia and New Zealand	Jan 2010
6	ASEAN-India	Jan 2010
7	ASEAN-Hong Kong	June 2019
8	Regional Comprehensive Economic Partnership (RCEP) ASEAN, Australia, China, Japan, South Korea, New Zealand)	Jan 2022

Source: ERIA Staff Compilation from <https://aric.adb.org/fta-group> [accessed 4/26/2024]

ASEAN's Free Trade Agreements

No	FTA	Signed (m/d/y)	In Effect (m/d/y)
1	ASEAN Free Trade Area	1/28/1992	1/1/1993
2	ASEAN-People's Republic of China Comprehensive Economic Cooperation Agreement	11/29/2004	7/1/2005
3	ASEAN-Republic of Korea Comprehensive Economic Cooperation Agreement	8/24/2006	6/1/2007
4	ASEAN-Japan Comprehensive Economic Partnership	4/14/2008	12/1/2008
5	ASEAN-Australia and New Zealand Free Trade Agreement	2/27/2009	1/1/2010
6	ASEAN-India Comprehensive Economic Cooperation Agreement	8/13/2009	1/1/2010
7	ASEAN-Hong Kong, China Free Trade Agreement	11/12/2017	6/11/2019
8	Regional Comprehensive Economic Partnership (RCEP)	11/15/2020	1/1/2022

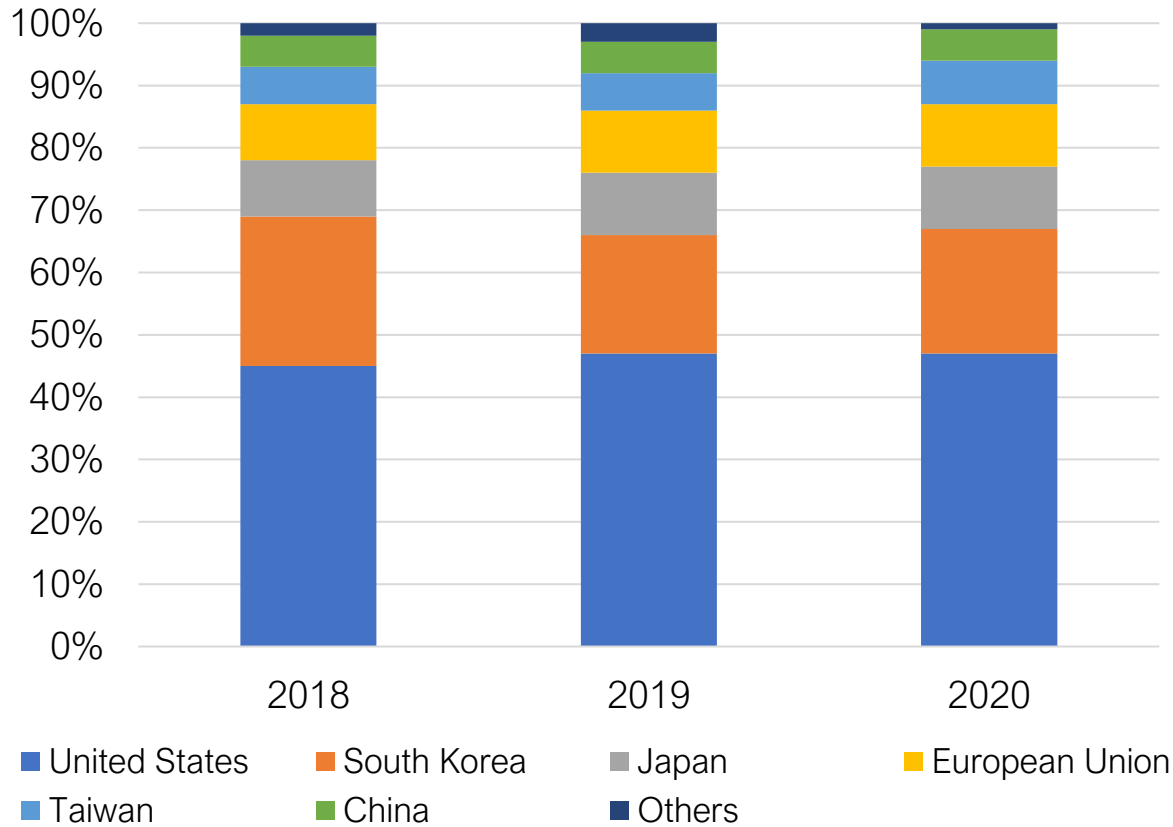
Source: ERIA Staff Compilation from <https://aric.adb.org/fta-group>, accessed on 4/26/2024

Other Ongoing ASEAN's FTA

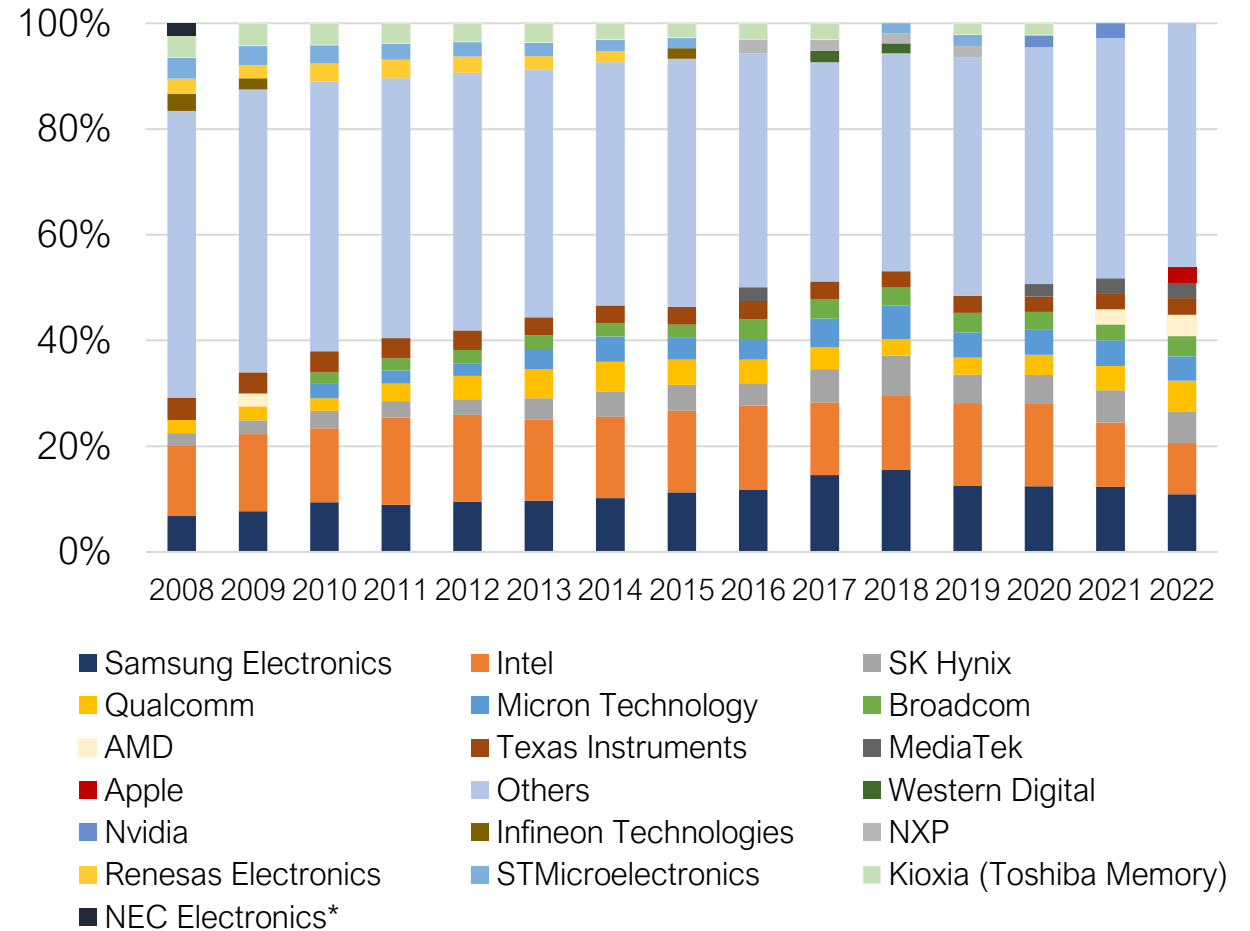
- **Negotiations launched**
 - ASEAN-Canada FTA (11/17/2021)
- **Proposed/Under consultation and study**
 - ASEAN-EU Free Trade Agreement (7/1/2007)
 - ASEAN-Eurasian Economic Union Free Trade Agreement (2016)
 - ASEAN-Gulf Cooperation Council Free Trade Agreement (2023)
 - ASEAN-Pakistan Free Trade Agreement (8/13/2009)
 - Comprehensive Economic Partnership for East Asia (CEPEA/ASEAN+6) (12/14/2005)

Global Semiconductor Market

Share of Global Semiconductor Industry

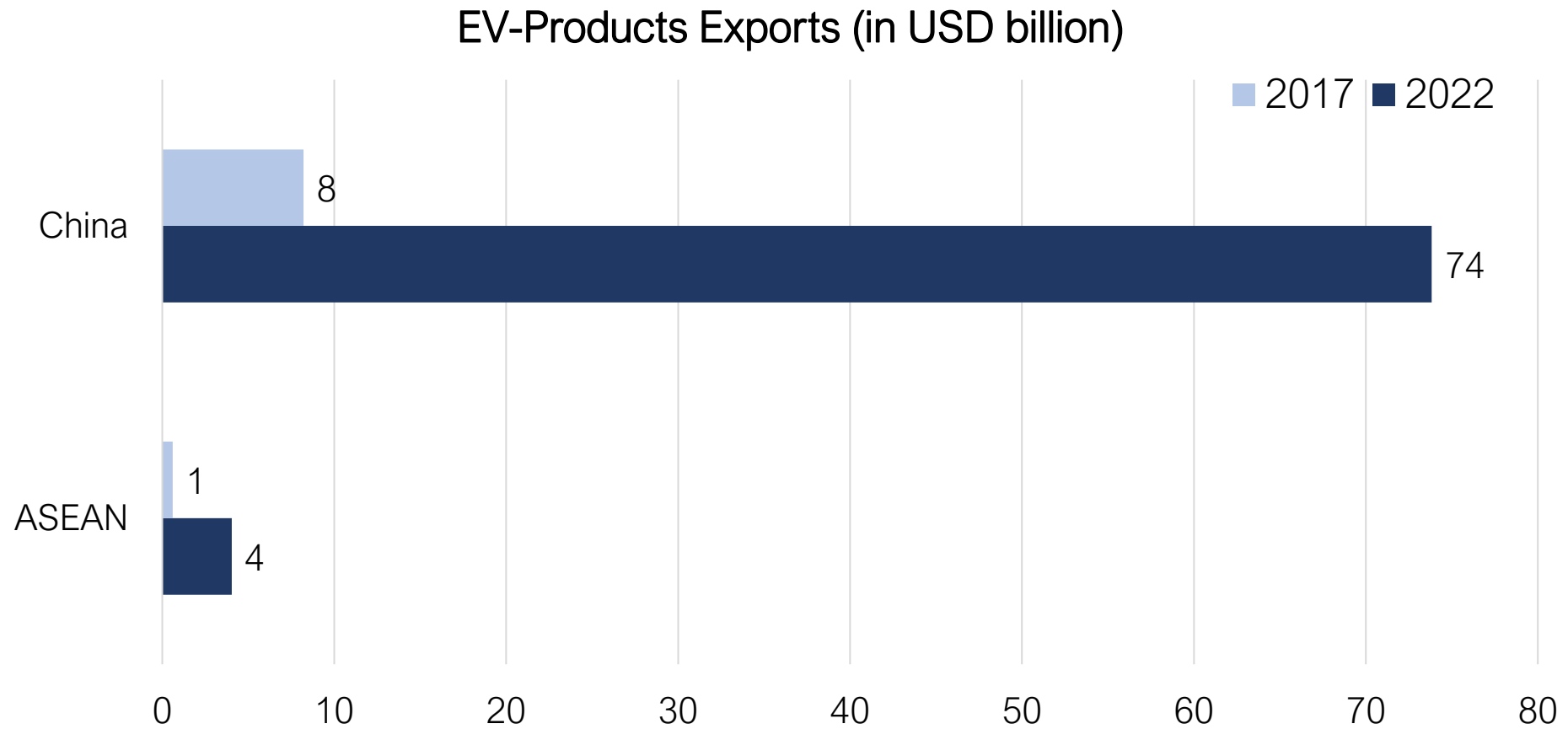


Semiconductor Companies Market Revenue Share Worldwide



Source: ERIA Staff Calculations based on Statista Data [accessed 14 May 2023]

ASEAN's Potential in EV



Source: ERIA Staff Calculations based on WITS [accessed 5 February 2024], Electric Vehicle exports: HS 850760, 870340, 870350, 870360, 870370, and 870380