



ASEAN Community in Figures Special Edition 2014



one vision
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one community



ASEAN Community in Figures - Special Edition 2014: A Closer Look at Trade Performance and Dependency, and Investment

The ASEAN Secretariat
Jakarta

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FOREWORD

With a little more than a year to go before the establishment of the ASEAN Community by the end of 2015, ASEAN has been enhancing the monitoring of the implementation of the remaining measures and deliverables in the three Community Blueprints.

The ASEAN Community in Figures (ACIF), published as a special edition this year to celebrate 47 years of ASEAN, is among the statistical reports published annually to provide the relevant statistics tracking ASEAN's progress towards the establishment of the ASEAN Community. Presenting various statistics on trade and investment, it offers detailed information on overall trends, changing trade patterns and diversification in the region. Significant data about trade in the Priority Integration Sectors (PIS) also constitutes one of the ACIF's special features showing how PIS products are faring in intra-ASEAN and extra-ASEAN trade.

While this publication continues to serve as a handy statistical report, this special edition includes a short policy discussion highlighting the relevance of these trends and developments in terms of ASEAN's economic integration agenda.

We hope our users will find this report useful and informative. We welcome their feedback to enable us to improve future ACIF publications.



Le Luong Minh
Secretary-General of ASEAN

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ACRONYMS AND ABBREVIATIONS

ACIA	ASEAN Comprehensive Investment Agreement
AEC	ASEAN Economic Community
AMS	ASEAN Member State
ANZ	Australia and New Zealand
ASEAN	Association of Southeast Asian Nations
ASEAN6	Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, and Thailand
ASEAN+3	Intra-ASEAN, China, Japan, and Republic of Korea
ASEAN+6	ASEAN+3, Australia, New Zealand, and India
ATIGA	ASEAN Trade in Good Agreement
CEPT	Common Effective Preferential Tariff
CLMV	Cambodia, Lao PDR, Myanmar and Viet Nam
EAS	East Asia Summit (ASEAN+6, Russia, and USA)
EU-28	European Union
FTA	Free Trade Area
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GVC	Global Value Chain
HS	Harmonised System
PDR	People's Democratic Republic
PIS	Priority Integration Sector
ROK	Republic of Korea
USA	United States of America



Introduction

The report focuses on free flow of goods and free flow of investment, which are two key aspects of the first pillar of the ASEAN Economic Community (AEC) of single market and production base. The main objective is to provide an overview of key trends and patterns in ASEAN trade and investment. That is, the report does not analyse the direct causality of such developments to the implementation of ASEAN initiatives; rather it highlights the state of play and key insights in the relevant areas.

A1. Executive Summary

On Merchandise Trade with Major Trading Partners

- ASEAN has made significant progress in removing tariffs on intra-ASEAN trade, with zero rates on 99% of tariff lines for the ASEAN6 since 2010. Successful implementation of various ASEAN initiatives such as the ATIGA and ACIA - as reported in the AEC Scorecard – has enhanced trade facilitation, competitiveness and investment. Consistent with such developments, the share of intra-ASEAN trade in total trade share has increased to 24.2% in 2013, and accounted for 25% of the region's total GDP.
- Trade with ASEAN+3 was very significant and accounted for more than double the intra-ASEAN trade in 2013, while ASEAN trade with the ASEAN+6 and EAS made up around 60% and more than two-thirds of ASEAN total trade, respectively.
- ASEAN has also negotiated FTAs with China, ROK, Australia and New Zealand, India, and Japan. Data indicated significant increase in the position of China in ASEAN trade, while the share in ASEAN trade with Japan declined. With respect to other trading partners, the shares of ASEAN trade with USA and EU-28 also declined markedly.
- ASEAN trade with China has been in deficit since 1994 with increasing value. ROK, Russia and Japan also registered increasing deficit, while trade with Australia and New Zealand, EU-28, India, USA, Pakistan, and Canada was in surplus.
- Each ASEAN major trade partner played a very important role (with share above 15%) in one or more AMSs. Intra- ASEAN is a very important export market for 8 AMSs, as China is for Myanmar, Japan for Brunei Darussalam and Philippines, EU-28 for Cambodia and Viet Nam, USA for Cambodia and Viet Nam, ROK for Brunei Darussalam, and Australia and New Zealand for Lao PDR. For Indonesia, Malaysia, Singapore and Thailand, their exports are slightly more diversified with no single partner country having a share of above 10%.
- ASEAN trade is less diversified with the top-twenty trade commodities accounting for more than half of ASEAN trade, and the top-five trade commodities comprising around one-third of ASEAN trade.
- The dominance of USA in high-tech products such as electronics, automatic data processing and aircraft has nearly disappeared by 2013, as has the role of Japan in motor vehicles, telecommunication products and automatic data processing. In such products, EU-28 has been able to maintain its important role as a supplier. Meanwhile the importance of China in some of these products has increased.

On Type of Goods Traded

- Consistent with the ASEAN Initiatives on Priority Integration Sectors (PIS), almost 60% of ASEAN trade of electronic integrated circuits was made with other AMSs, while ASEAN was also a supplier of a number of important products including petroleum, gases; parts and accessories; and automatic data processing.

- Some major trade partners, while registering only a small share of ASEAN total trade, played a highly important role in some commodities. Except for Canada and Pakistan, each major trade partner has some commodities on which ASEAN was highly dependent (with shares above 75% of ASEAN trade in the respective commodities). They include import of meat and wool from Australia and New Zealand; cobalt ores and concentrates from Canada; peanut oilcake and other solid residues from India; and asbestos from Russia.
- For five selected commodities (agricultural products, manufacturing products, rice, cane sugar and pharmaceutical products) the period 2002-2007 witnessed high growth rates (15% or higher) of exports. The following years (2007-2013) showed slower growth rates of below 10% for these commodities, except for pharmaceutical products.
- ASEAN secured its position as a net exporter of agricultural and manufacturing products, with a surplus of US\$44 billion in the case of agricultural products and US\$7 billion for manufacturing products, and maintained its position as a rice net exporter with a surplus of US\$6.5 billion in 2013. Meanwhile cane sugar import occasionally exceeded export while pharmaceutical products demonstrated some potential as an emerging key export commodity, posting 57% growth rate for the period 2002-2007 and 12% during 2007-2013.

On Trade on Priority Integration Sectors

- As regard export of products relating to the PIS, only electronic products showed a very significant share, above 40% of ASEAN total export in 2013, while for agro-based, rubber-based, wood-based, fisheries, textile, and automotive exports, the share was below 5% each.
- During the period 1993-2013, only the export of agro-based and automotive products grew at a high rate of between 10-15% per annum inclusive, while four PIS products experienced fairly high rate of growth (5-10%), and fisheries grew by only 1.9%.
- Over the period 1993-2013, the 2002-2007 period was the best period for PIS, with export recording either a very high (15% or higher) or high (10-15%) annual growth rate. In particular, export of automotive products grew at a remarkably high rate of 34% per year.
- From 2007 to 2013, exports of wood-based, fisheries, and electronic products slowed down significantly, growing at negative rates. Electronic products recorded a negative growth rate of 1.7% per year, after enjoying buoyant growth of 17 % per year in the period 2002-2007. Agro-based, rubber-based and automotive exports maintained a high rate of annual growth of between 9-11%, while textile slowed down to around 7% per year.
- ASEAN has always been a net exporter of agro-based, rubber-based, wood-based and fisheries products, with big surplus of around US\$30 billion and US\$20 for the first two products, respectively and remained a net exporter of textile, although trade surplus has been more or less steady at around US\$17 billion since 2007.
- Export of electronics almost reached US\$200 billion in 2013, but import stood at US\$178 billion, leaving ASEAN with a surplus of just around US\$20 billion. The surplus also declined since 2007 as export plunged in 2007 to 2009 before stabilising at around US\$200 billion since 2010.

- ASEAN remained a net importer of automotive although export is closely catching up with import, both reaching US\$62 billion in 2013, resulting in a small trade deficit of below US\$1 billion.
- Value of extra-ASEAN export was between 7 to 15 times that of intra-ASEAN export in the case of agro-based, rubber-based, wood-based, fisheries, and textiles, and 2 and 3 times in the case of automotive and electronics products, respectively. This indicates a higher intensity in intra-industry trade and most likely regional production networks in the case of automotives and electronic products.
- Extra-ASEAN export increased faster than that of intra-ASEAN in the case of fisheries and rubber-based products, the two important resource-based PIS products.

On Trade Surplus/Deficit

- ASEAN recorded a surplus in its trade of agro-based products with all of its major trade partners, although the surplus was relatively small, in general. Trade balance showed an increasing trend with all ASEAN major trade partners.
- ASEAN recorded a surplus of US\$7 billion and US\$8 billion respectively, in its trade in rubber-based products with EU-28 and USA, and small surpluses with Australia and New Zealand, and Japan; trade surpluses were increasing in all these cases. Trade in rubber-based products with China showed a large and increasing trade deficit, and with ROK a small and diminishing deficit.
- Trade surplus was recorded in ASEAN trade of wood-based products with its major trade partners at less than US\$3 billion each in 2013. The trends of export and trade balance were increasing but with significant drop following the 2008 global financial crisis, except for ASEAN trade with China which was hardly affected.
- ASEAN trade of fisheries products with all major trade partners registered surpluses; none of the surplus, however, exceeded US\$2 billion in 2013. Trade surpluses were increasing with all major trade partners, although there was a drop in the last two years. For ASEAN fisheries trade with Japan, EU-28 and USA, the drops were significant since their trade surpluses were around US\$2 to US\$3 billion between 1993 to 2011 in the case of Japan, and between 2006 and 2011 in the case of EU-28 and USA.
- ASEAN trade of textile products with most major trade partners registered a surplus, with large surplus of around US\$17 billion in the case of USA in 2013. Exceptions were the small deficit in the case of trade with ROK, and a relatively large deficit of US\$11 billion in the case of trade with China. Both the trade surpluses and deficits showed an increasing trend during the period 1993-2013.
- ASEAN recorded large and increasing trade deficit in its trade of electronic products (covering both final and intermediate products) with China (close to US\$23 billion), Japan (almost US\$9 billion) and ROK (US\$2.6 billion). On the other hand, ASEAN recorded surpluses with other major trade partners, although the trade surpluses were declining particularly with USA and EU-28.

- Small surpluses were posted in ASEAN trade of automotive products, including both final and intermediate products, with Australia and New Zealand, and USA. Trade deficit was large in the case of trade with Japan, and small in the case of China, ROK and EU-28. The deficit in its trade of automotive products with China, Japan, ROK, and EU-28 and the surpluses in the case of Australia and New Zealand and USA were increasing.

On Foreign Direct Investments

- Concerning FDI inflows to ASEAN, 2000-2013 was the best period, with intra-ASEAN FDI inflows growing by around 25% per year on average and extra-ASEAN FDI Inflows by 13% per year on average. ASEAN recorded total FDI inflows at US\$122 billion in 2013, with extra-ASEAN countries contributing US\$101 billion and AMSs contributing US\$21 billion, both around less than five times their level 18 years ago (1995 level).
- Shares of FDI in GDP were low, around 5% in 2013 on average, 4% in the case of extra-ASEAN FDI inflows and less than 1% in the case of intra-ASEAN. Only Singapore posted almost 20% share during 2007-2013, while in other AMSs, the shares were much lower. The shares of total FDI increased from 2000-2006 to 2007-2013 in all AMSs except in Brunei Darussalam, Philippines and Thailand.
- In 2013, almost half of FDI inflows in ASEAN were received by Singapore, around 15% by Indonesia, and around 10% each by Malaysia and Thailand. Viet Nam received around 7% and the Philippines around 3%, while the remaining CLM countries received only a total of around 4% of FDI inflows to ASEAN.
- Major origin of FDI inflows into ASEAN in 2013 included EU-28 with a share of 22%, Japan with 19%, ASEAN Member States with 17%, China with 7%, and Hong Kong with 3.5%. The trends were increasing except for the USA which has been in decline since 2010.
- Economic activities under the Services sector constitute the bulk of FDI inflows to ASEAN, with an average share of almost 70% in the last four years, followed by FDI in Manufacturing.
- The impact of the global financial crisis on FDI inflows in the Services sector as well as in other economic sectors was much more pronounced in extra-ASEAN FDI inflows than in intra-ASEAN FDI inflows.
- In 2013, more than 99% of FDI inflows in financial intermediation and related services (including insurance) were received by ASEAN6 while less than 1% went to CLMV. Singapore accounted for most of the FDI inflows to the Services sector, with a share of around 81%.

A2. Some Policy Insights towards Regional Economic Integration

Significant progress has been made in the advancement of ASEAN's regional economic integration. The removal of formal restrictions in different areas, along with other facilitating domestic and external factors, has contributed to growing trade and investment in the region. Intra-ASEAN tariffs have gone down significantly, and are now close to negligible in the case of ASEAN6, although the real impact to business will depend on the degree of preference utilisation. While growing relatively faster than the overall ASEAN trade, the performance of intra-ASEAN trade has been uneven across the PIS. In particular, the growth in intra-ASEAN exports in 2007-2013 has been slower than that in extra-ASEAN exports in all but three PIS; the exceptions were fisheries, automotive and electronic products. The implications of these findings will need to be read against the objectives of the PIS initiative. In fact, intra-ASEAN trade of electronic integrated circuits accounted for the majority of ASEAN total import of these products, a strong indication of well-developed regional production networks on electronics.

Trade in other, relatively more commodity-based, products such as agro-based and wood-based products is also still relatively externally oriented. Higher intensification of trade in manufactures such as automotive and electronic products indicates the presence and strength of ASEAN's regional production networks. Positive export performance in pharmaceutical products also signalled a new area of export potential. Different products offer different learning and value adding opportunities, and consequently long-term growth and development outcomes. While more detailed analysis is needed, including on technology and knowledge content as well as value added, the findings reiterate the contribution of regional economic integration to export diversification and resilience, as well as upgrading in Global Value Chain (GVC) participation.

ASEAN trade, however, is still relatively concentrated, both in directions and in composition. Though this may not be unique to the region, especially for the smaller AMS, high trade dependence on specific partners for select commodities raises vulnerability to external shocks. This is evident in significantly slower export growth in recent years following the 2008 global financial crisis and the sluggish global economic recovery in its aftermath. Nevertheless, it would be prudent to assume that part of the apparent slowing down is due to the atypically high growth rate in the previous period following the recovery from the 1997 Asian Financial Crisis. Improvement in trade facilitation and reduction in trade costs will contribute to mitigating the downside risks, while allowing the region to continue to source from internationally competitive suppliers.

Over the past two decades, the region has also observed considerable changes in its trade and investment landscape. The region has observed a shift in market dominance for both exports and imports from some advanced economies to certain emerging economies. The rise of China as a dominant trade partner, with whom ASEAN has a large and growing deficit, particularly stood out. It is nevertheless worth noting that in a world of global value chains, measuring trade data in gross instead of value added terms has led to an overestimation of trade surpluses or deficits, particularly for economies that are intertwined in production networks. Different markets translate to different demand, be it in terms of products, quantity, quality, or nature and form of transaction. The impact of the shift in markets varies from one case to another. A long term strategy for enhancing export diversification and sophistication is imperative across sectors and industries for the sustainability of trade balance. Well-developed innovation systems, technological capabilities and human capital will be key to this effort.

On investment, the growth of intra-ASEAN FDI inflows has continued to offset that of extra-ASEAN. While newer AMS have observed a significant increase in the share of investment in their GDPs, most likely due to growing market potential, resource endowments and competitive production costs, FDI inflows to ASEAN have remained broadly concentrated in a few AMS mostly the ASEAN-6. Concerted efforts to develop effective regulatory framework and improving regulatory coherence, as well as institutional strengthening are needed to better attract investment to the other AMS, including intra-ASEAN FDI. A key challenge would be to realign the focus to more sustainable, skills and knowledge-enhancing investment from resource-seeking or footloose investment. Services have been the key driver of FDI in the region in recent years, and as trade and investment are closely interlinked, goods and services can no longer be considered in isolation. Competitive services sector is necessary for effective global value chain participation, as services not only act as a glue to production activities but are also increasingly becoming a new source of value and innovation. To this end, the region should push ahead with its economic integration initiatives in a comprehensive and pragmatic manner for the establishment of the ASEAN Economic Community (AEC) by 2015 and the achievement of the post-2015 vision going forward.

This section was drafted by the ASEAN Integration Monitoring Office.

B. Major Trends in ASEAN Trade

Removal of trade barriers and enhancement of trade facilitation are among the most important and earliest economic integration initiatives that ASEAN has been pursuing. The removal of trade barriers has been centred on the removal of intra-ASEAN tariffs through commitments on Common Effective Preferential Tariff (CEPT) under the ASEAN Free Trade Area (AFTA). With the coming into effect of the ASEAN Trade in Goods Agreement (ATIGA) in May 2010, a more comprehensive approach has also been taken to further facilitate trade beyond the removal of formal trade restrictions (i.e. tariffs) through more simplified, harmonised and streamlined customs documents, and rules and procedures, as well as removal of other technical barriers to trade. Goods are expected to move more easily across borders due to reduction in transaction time, costs and technical barriers to trade, benefiting both exporters, importers, producers and consumers, enhancing intra-ASEAN trade and contributing to the broader regional integration agenda.

The following sections attempt to highlight key trends in ASEAN trade and the overall trade performance including intra-ASEAN trade for the period 1993-2013.

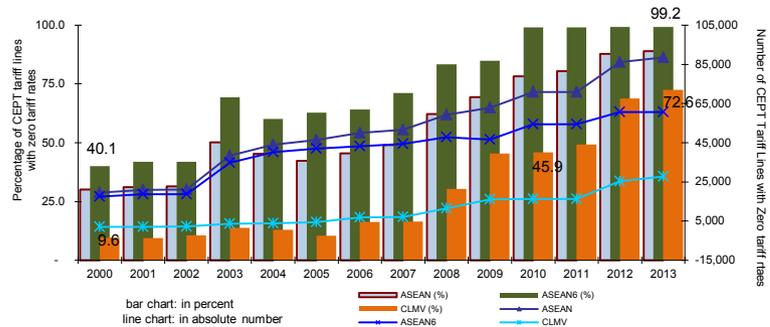


B.1. Removal of Tariff

a. Items in the CEPT with zero per cent tariff rates

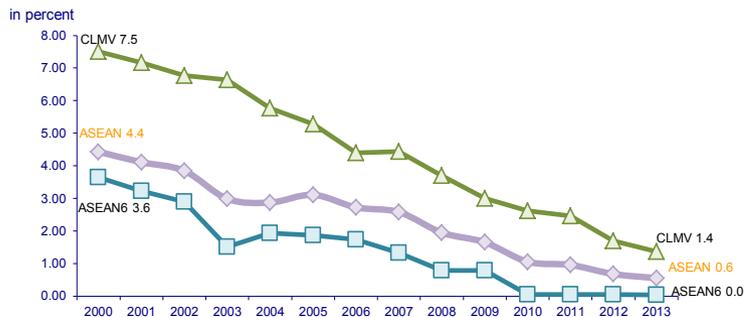
- ASEAN6, namely Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand, has applied zero tariff rates for intra-ASEAN trade in more than 99% of tariff lines since 2010. Progress has also been made in the newer ASEAN Member States, i.e. Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV) where zero tariff rates have been applied to 72.6% of tariff lines in 2013, a significant increase from only 45.9% in 2010.

Figure 1.1 Trend of the percentage of CEPT tariff lines with zero tariff rates, 2000-2013



Source: ASEAN Tariff Database

Figure 1.2 Trend of the Intra-ASEAN average tariff rate, 2000-2013



Source: ASEAN Tariff Database

b. Average tariff rates on intra-ASEAN imports

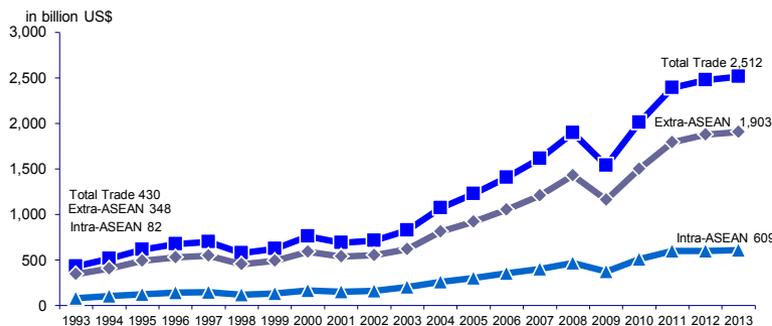
- The average intra-ASEAN tariff in ASEAN6 has gone down to near zero since 2010, and stood at slightly above 1% in 2013 in CLMV.

B.2. ASEAN Trade Overall Performance

a. Trend of ASEAN trade

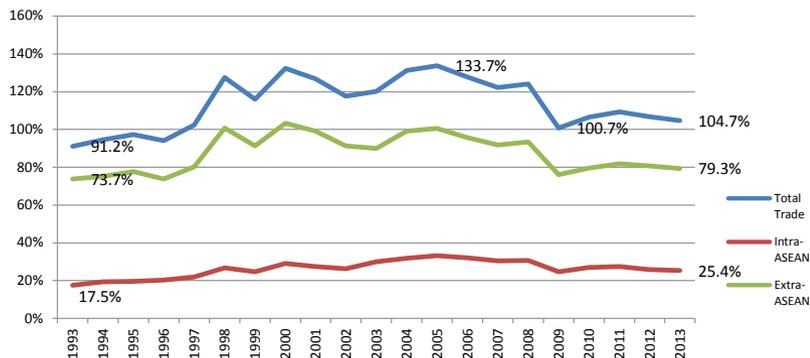
- Intra-ASEAN trade increased at a faster rate than either overall ASEAN trade or extra-ASEAN trade, with annual growth averaging at 10.5% as compared with 9.2% and 8.9%, respectively (between 1993 and 2013).
- Total trade posted a sixfold increase since the beginning of AFTA, from US\$430 billion in 1993 to US\$2.5 trillion in 2013. Intra-ASEAN trade has surged by more than sevenfold in the same period from US\$82 billion to US\$609 billion, while extra-ASEAN trade grew more than five times, from US\$348 billion to US\$1.9 trillion.

Figure 2.1 Trend of ASEAN Total Trade and Intra-ASEAN Trade, 1993-2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 2.2 Shares of ASEAN Trade in GDP, 1993-2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

b. Trade share in GDP

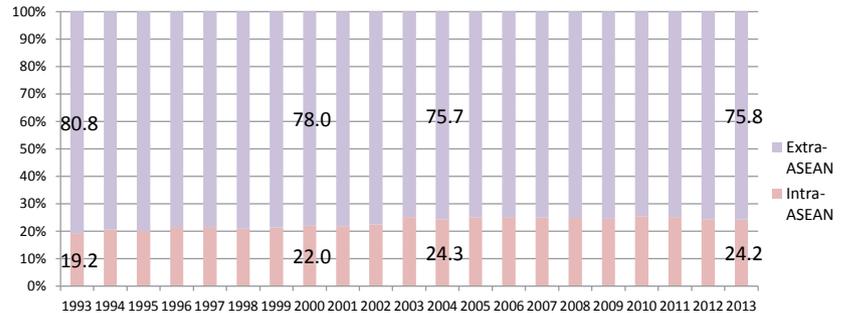
- The share of trade in total ASEAN GDP has experienced a moderate increase from 91% in 1993 to 105% in 2013, dipping to 101% in 2009 after peaking at 134% in 2005.
- The share of intra-ASEAN trade in GDP has grown faster than that of the overall ASEAN trade, increasing by 1.9% per year on average compared with 0.7% for the latter. During the period observed, the share of intra-ASEAN trade in GDP has increased from 17% in 1993 to 25% in 2013.

c. Major Trading Partners

Share of intra-ASEAN trade

- With intra-ASEAN trade growing faster than extra-ASEAN trade, its share in overall ASEAN trade has been on an increasing trend from 19.2% in 1993 to 22.0% in 2000 and 24.2% in 2013.
- Conversely, the share of ASEAN trade with the rest of the world (extra-ASEAN trade) in overall ASEAN trade declined from 80.8% in 1993 to 75.8% in 2013.

Figure 2.3 Share of Intra-ASEAN Trade, 1993-2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 2.4. Intra-ASEAN Trade, 2013

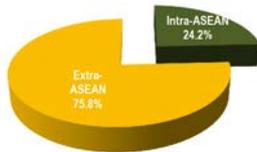


Figure 2.5. ASEAN+3 Trade, 2013



Figure 2.6. ASEAN+6 Trade, 2013

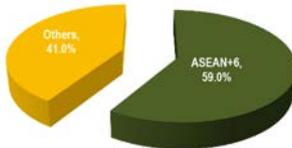
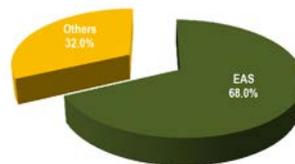


Figure 2.7. EAS Trade, 2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Share of ASEAN trade with ASEAN+3, ASEAN+6, and EAS

- ASEAN+3 represented a big market for ASEAN, with a share of around 53% of total ASEAN trade, or more than double the share of intra-ASEAN trade in 2013.
- Trade with ASEAN+6 comprised almost 60% of ASEAN trade in 2013, while trade with EAS countries represented more than two-thirds of ASEAN trade.

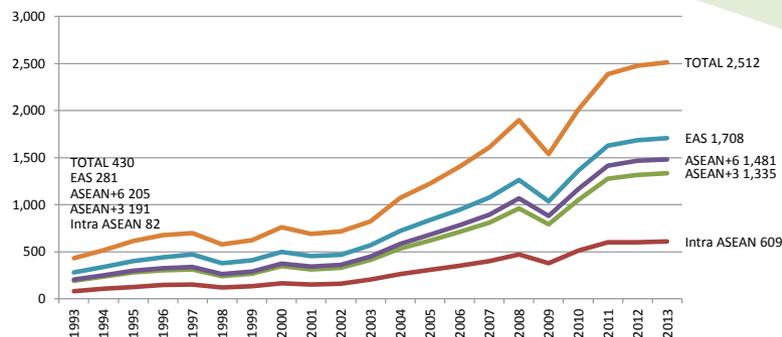
Rate of growth of ASEAN trade with ASEAN+3, ASEAN+6, EAS

ASEAN trade with ASEAN+3, ASEAN+6 and EAS grew at a similar pace with intra-ASEAN trade, respectively by 10.2%, 10.4% and 10.5% per annum on average, which are faster than the growth of overall ASEAN trade from 1993 to 2013.

The value of ASEAN trade with ASEAN+3, ASEAN+6 and EAS has increased by around sevenfold each between 1993 and 2013, just slightly lower than that of intra-ASEAN trade.

Among ASEAN major trade partners, ASEAN trade with China, India, and Russia showed the highest rates of growth, between 18-22% per annum on average; while ASEAN trade with USA, Japan, EU-28 and Canada posted the lowest annual growth rates of 5% to 7% per annum on average. The volume of ASEAN trade with the former group of countries increased by at least fortyfold from 1993 to 2013 in the case of China and Russia, and by 23 times in the case of India; while trade with the latter countries increased fourfold at the maximum.

Figure 2.8. Trend of ASEAN Trade with ASEAN+3, ASEAN+6 and EAS (in US\$ billion), 1993-2013



Note: ASEAN+3 includes intra-ASEAN, China, Japan, and Republic of Korea. ASEAN+6 includes ASEAN+3, Australia, New Zealand, and India. EAS (East Asia Summit) includes ASEAN+6, Russia, and USA

Source: ASEAN Trade Statistics Database, as of 24 July 2014

Table 2.1. Trade with Selected Dialogue Partner Countries (in US\$ billion)

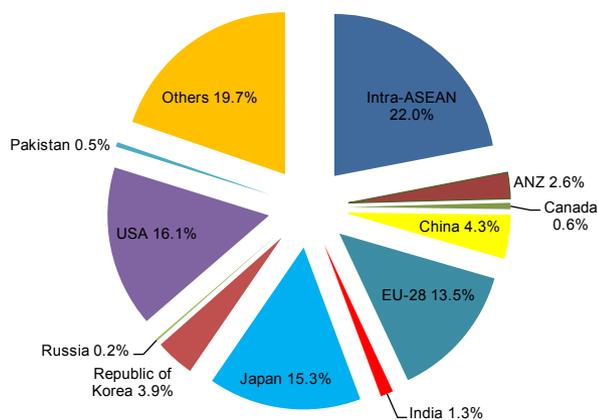
Country	1993	2000	2005	2011	2012	2013	Rate of growth 1993-2013	Ratio 2013/1993
Intra-ASEAN	82.4	166.8	304.8	598.4	602.0	608.6	10.5	7
Australia	9.1	17.6	31.2	59.7	69.5	68.0	10.6	7
Canada	3.5	4.8	6.0	10.8	12.3	13.5	7.0	4
China	8.9	32.3	113.3	280.1	319.5	350.5	20.2	40
EU-28	63.2	102.8	140.7	234.6	242.6	246.2	7.0	4
India	2.9	9.7	23.0	68.2	71.8	67.9	17.0	23
Japan	96.7	116.2	153.8	273.9	262.9	240.9	5.2	3
Republic of Korea	13.3	29.6	48.0	124.4	131.0	135.0	12.3	10
New Zealand	1.3	2.2	4.1	8.2	9.2	9.8	10.7	8
Pakistan	1.0	3.5	2.3	6.8	6.3	6.1	9.4	6
Russia	0.4	1.4	4.7	13.9	18.2	19.9	21.3	47
USA	75.7	122.2	153.9	198.8	200.0	206.9	5.2	3
Rest of the World	81.5	149.9	238.7	510.7	531.0	538.1	9.9	7
Total ASEAN	429.9	759.1	1,224.6	2,388.4	2,476.4	2,511.5	9.2	6
ASEAN+3	191.2	345.0	620.0	1,276.8	1,315.4	1,335.0	10.2	7
ASEAN+6	204.5	374.5	678.3	1,412.9	1,466.0	1,480.7	10.4	7
EAS	280.7	498.1	836.9	1,625.6	1,684.2	1,707.6	9.4	6

Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trade shares of ASEAN major trade partners

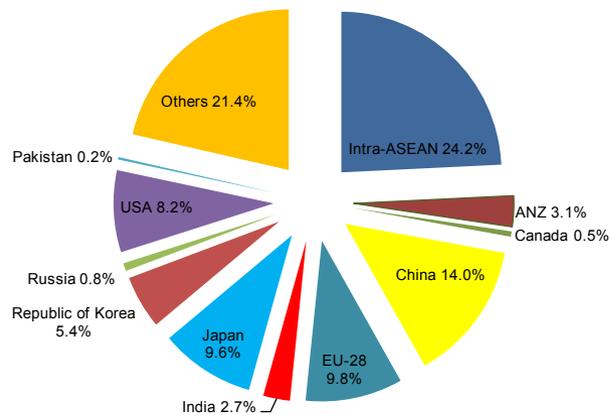
- The dominance of developed countries in ASEAN trade has been on a decline. In particular, the trade shares of USA, Japan and EU-28 have been reduced, while China has emerged as ASEAN's biggest trade partner since 2011.
- China's share in ASEAN trade increased from 4.3% in 2000 to 14% in 2013, while the shares of USA, Japan and EU-28 declined from around 16%, 15% and 14% in 2000 to 8%, 10% and 10% in 2013, respectively.

Figure 2.9 Share of Major Trade Partner in ASEAN Trade, 2000



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 2.10 Share of Major Trade Partner in ASEAN Trade, 2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014



C. ASEAN Trade and Dependency



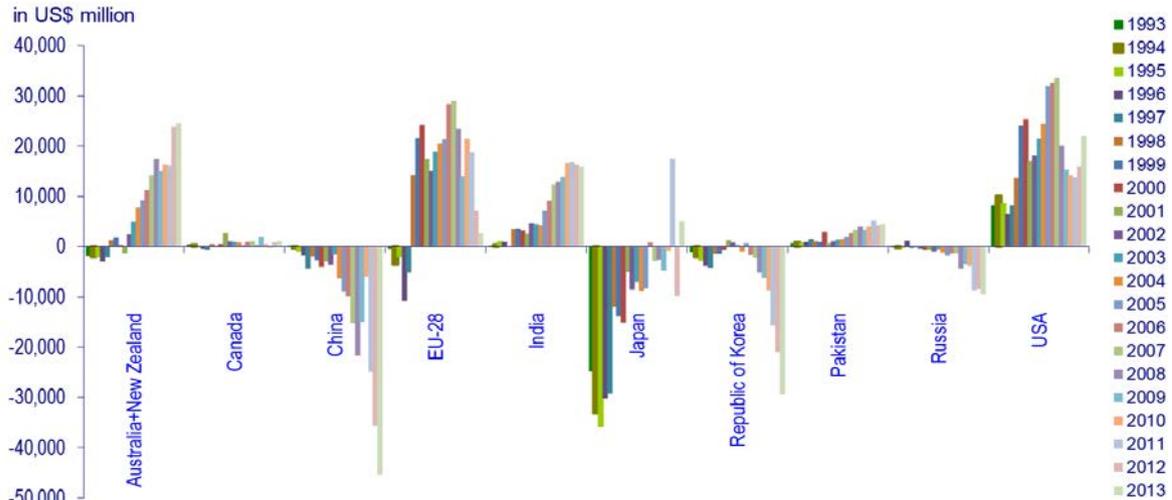
Changes in competitiveness, the dynamics in prices, external demand and policies, as well as measures affecting external trade have led to changes in trade patterns and dependencies in ASEAN.

The following sections attempt to capture important changes and key trends in ASEAN's overall trade patterns.

C.1. ASEAN Trade Balance

- ASEAN trade with China since 1994 showed an increasing deficit. The same trend was observed in ASEAN trade with ROK and Russia, although at a smaller magnitude. On the other hand, ASEAN's trade deficit with Japan has declined significantly.
- Overall, ASEAN has recorded a surplus in its trade with Australia and New Zealand, EU-28, India, USA, Pakistan and Canada.

Figure 3.1 Trade Balance with Major Trade Partners



Source: ASEAN Trade Statistics Database, as of 24 July 2014

C.2. Major Export Market and Import Origin, 2013

a. Overall market share

- ASEAN is a very important export market (with a share of 15% or higher) for 8 AMSs, and a very important import supplier (15% or higher) for all AMSs. For Cambodia and Viet Nam, ASEAN is an important export market (10-15%).
- China is a very important export market for Myanmar (with a share of 27%) and an important export market (share between 10-15%) for 7 AMSs. It is also a very important import supplier (15% or higher) for 7 AMSs and an important import supplier (10-15%) for 3 AMSs.
- Japan remains a very important export market for Brunei Darussalam and Philippines at 40% and 21% shares respectively, and an important market (10-15%) for another 3 AMSs. Japan is a very important import supplier for Thailand at 16% share and an important import supplier (10-15%) for 4 other AMSs.
- EU-28 maintains its position as a very important export market for Cambodia and Viet Nam at 27% and 18% respectively and is an important market for Philippines at 11%. EU-28 is also an important import supplier (10-15%) for 3 other AMSs.
- Similar to EU-28, USA is also a very important export market for Cambodia and Viet Nam at 23% and 18% respectively, and is important (10-15%) for Philippines and Thailand. It remains an important import supplier (10-15%) for 4 AMSs.
- Republic of Korea is a very important export market for Brunei Darussalam at 16% and a very important import supplier for Viet Nam at 16%.
- As an export market, India is fairly important partner (with a share between 5-10%) for Myanmar, Brunei Darussalam, and Indonesia, and less important partner (share less than 5%) for the remaining 7 AMSs. It is a less important import supplier (less than 5%) for all AMSs.
- Australia and New Zealand as a group is a very important export market for Lao PDR at 28% and an important market for Brunei Darussalam at 11%. However, as an import supplier, it is less important (less than 5%) for all AMSs.

Figure 3.2. Share of Export to Trade Partners, by Exporting Country, 2013 (in percent)

	AMS	ANZ	Chn	India	Japan	ROK	EU-28	USA	ASEAN
Brunei Darussalam		● 11.5	● 1.4	● 7.6	● 39.8	● 16.3	● 0.1	● 0.1	● 23.1
Cambodia		● 0.7	● 3.0	● 0.1	● 3.6	● 1.1	● 26.9	● 22.6	● 14.2
Indonesia		● 2.7	● 12.4	● 7.1	● 14.8	● 6.3	● 9.2	● 8.6	● 22.3
Lao PDR		● 27.8	● 14.0	● 0.0	● 0.9	● 0.1	● 8.8	● 0.3	● 47.6
Malaysia		● 4.6	● 13.4	● 3.6	● 11.1	● 3.6	● 9.1	● 8.1	● 28.1
Myanmar		● 0.1	● 26.7	● 7.1	● 6.8	● 2.9	● 1.8	● 0.1	● 49.2
Philippines		● 1.6	● 12.2	● 0.5	● 21.2	● 5.5	● 11.4	● 14.5	● 16.0
Singapore		● 4.3	● 11.8	● 2.7	● 4.3	● 4.1	● 7.6	● 5.7	● 31.4
Thailand		● 5.0	● 11.9	● 2.3	● 9.7	● 2.0	● 9.8	● 10.1	● 25.9
Viet Nam		● 2.7	● 10.0	● 1.8	● 10.3	● 5.0	● 18.3	● 18.0	● 13.7
Notes:									
Very important (share above 15%)		●							
Important (share 10-14.9%)		●							
Fairly important (share 5-9.9%)		●							
Less important (share <5%)		●							

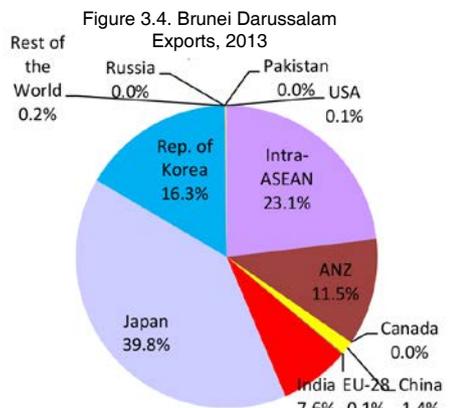
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.3. Share of Import from Trade Partners, by Importing Country, 2013 (in percent)

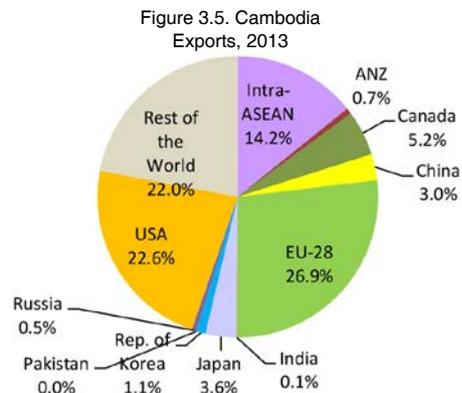
	AMS	ANZ	Chn	India	Japan	ROK	EU-28	USA	ASEAN
Brunei Darussalam	● 1.7	● 11.3	● 0.9	● 5.8	● 3.4	● 9.4	● 11.9	● 51.0	
Cambodia	● 0.2	● 32.6	● 1.0	● 1.9	● 4.0	● 2.7	● 12.0	● 30.7	
Indonesia	● 3.1	● 16.0	● 2.1	● 10.3	● 6.2	● 7.3	● 4.9	● 29.0	
Lao PDR	● 0.5	● 15.5	● 0.4	● 2.9	● 2.8	● 1.2	● 0.3	● 75.8	
Malaysia	● 3.0	● 16.4	● 2.5	● 8.7	● 4.7	● 10.8	● 7.9	● 26.7	
Myanmar	● 0.6	● 30.5	● 3.1	● 13.2	● 11.7	● 2.1	● 0.9	● 35.3	
Philippines	● 2.4	● 13.1	● 1.2	● 8.6	● 7.7	● 10.0	● 10.9	● 21.8	
Singapore	● 1.3	● 11.7	● 2.4	● 5.5	● 6.4	● 12.4	● 10.3	● 20.9	
Thailand	● 2.4	● 15.1	● 1.4	● 16.5	● 3.6	● 9.2	● 5.9	● 17.8	
Viet Nam	● 1.5	● 27.9	● 2.2	● 8.8	● 15.7	● 7.1	● 4.0	● 16.2	
Notes:									
Very important (share above 15%)		●							
Important (share 10-14.9%)		●							
Fairly important (share 5-9.9%)		●							
Less important (share <5%)		●							

Source: ASEAN Trade Statistics Database, as of 24 July 2014

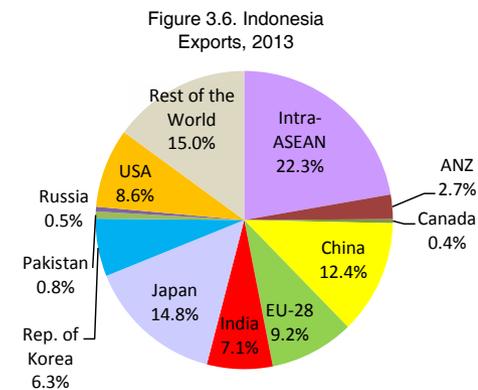
b. Detailed market share: major export market



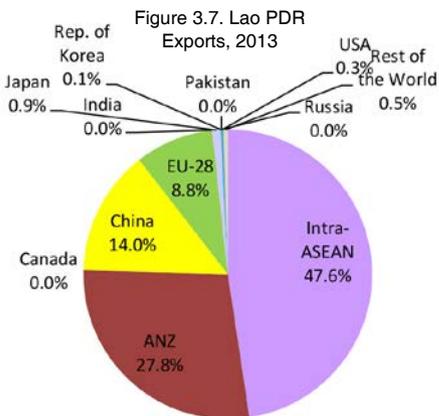
Source: ASEAN Trade Statistics Database, as of 24 July 2014



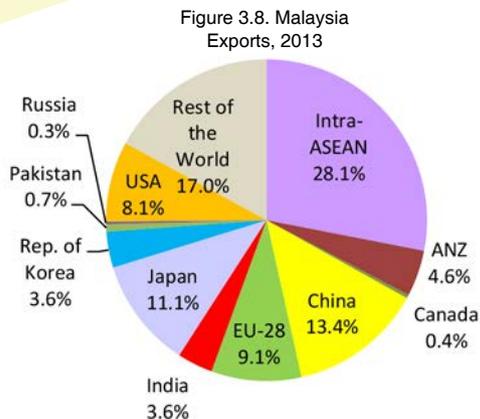
Source: ASEAN Trade Statistics Database, as of 24 July 2014



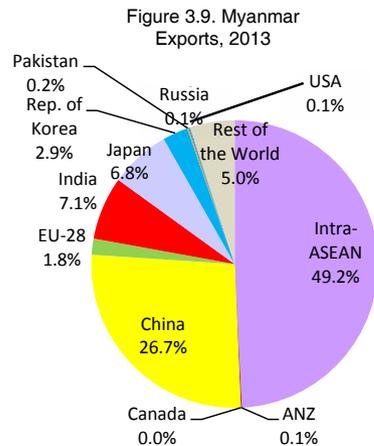
Source: ASEAN Trade Statistics Database, as of 24 July 2014



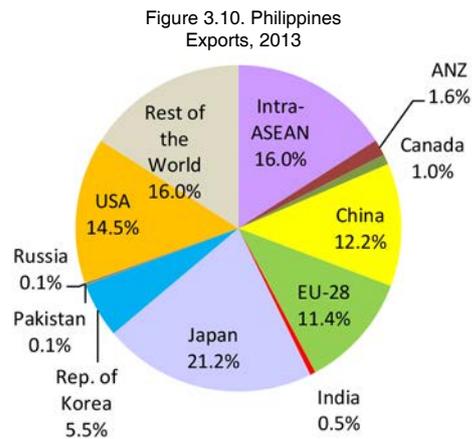
Source: ASEAN Trade Statistics Database, as of 24 July 2014



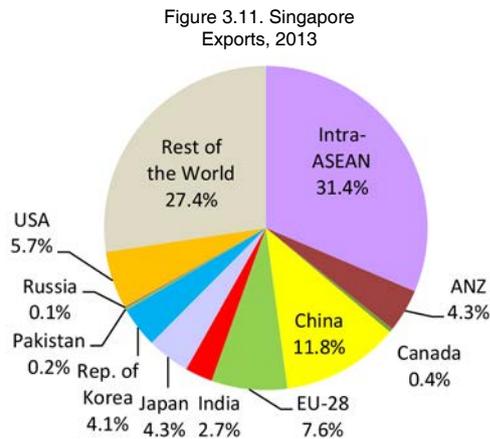
Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014

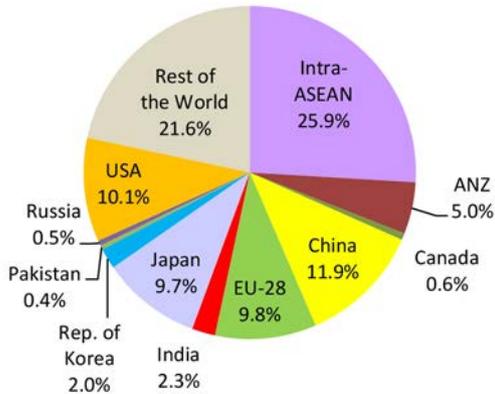


Source: ASEAN Trade Statistics Database, as of 24 July 2014



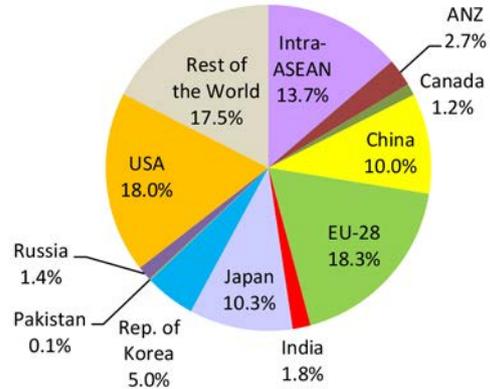
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.12. Thailand Exports, 2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

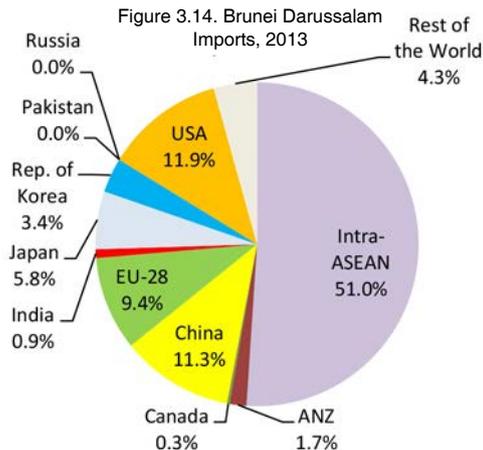
Figure 3.13. Viet Nam Exports, 2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

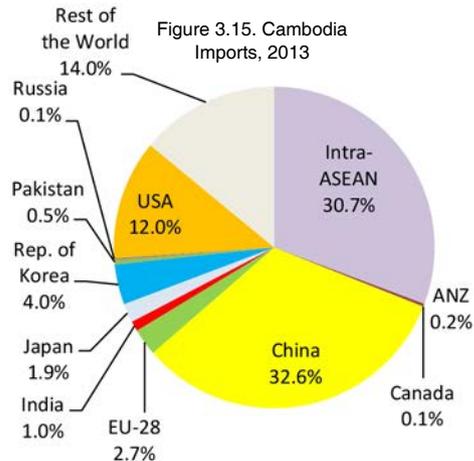
c. Detailed market share: major import origin

Figure 3.14. Brunei Darussalam Imports, 2013



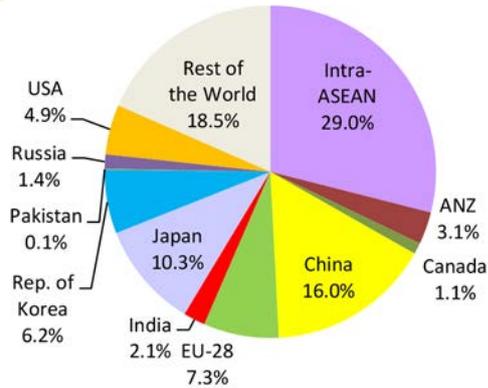
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.15. Cambodia Imports, 2013



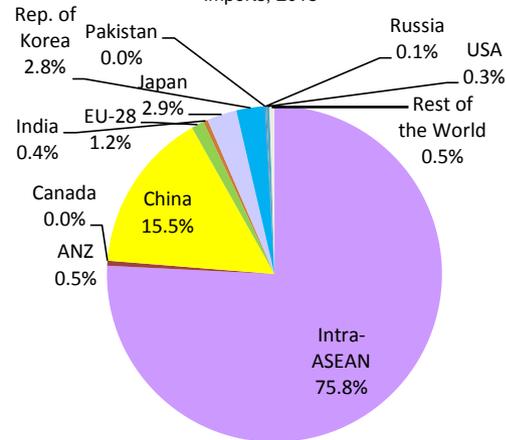
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.16. Indonesia Imports, 2013



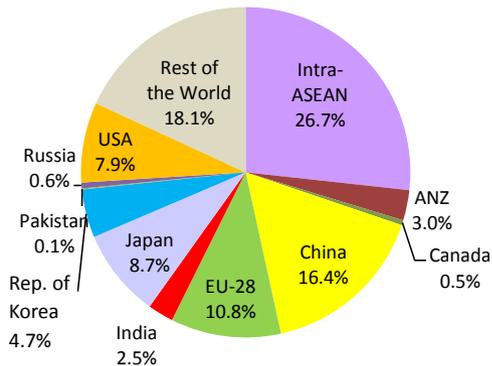
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.17. Lao PDR Imports, 2013



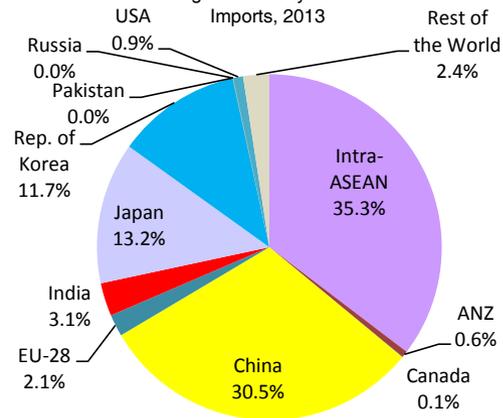
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.18. Malaysia Imports, 2013



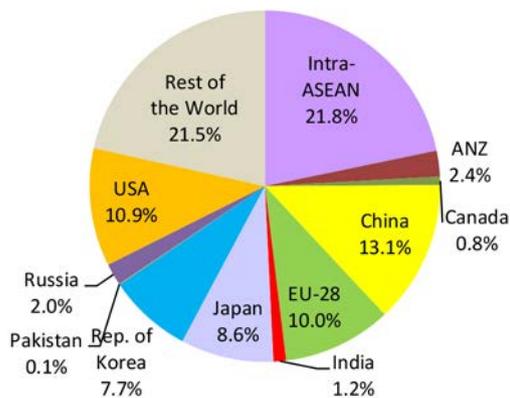
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.19. Myanmar Imports, 2013



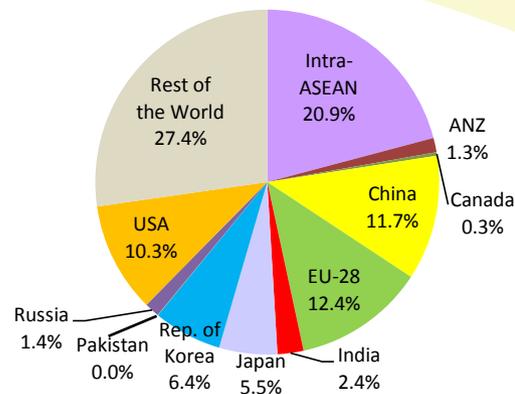
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.20. Philippines Imports, 2013



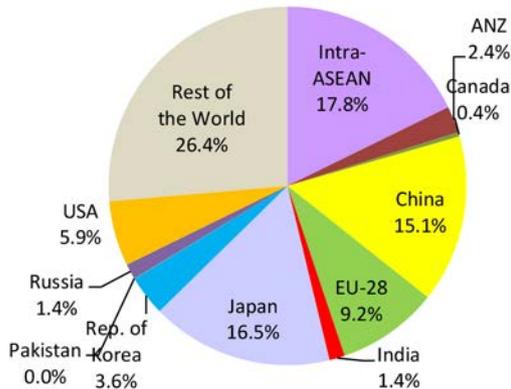
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.21. Singapore Imports, 2013



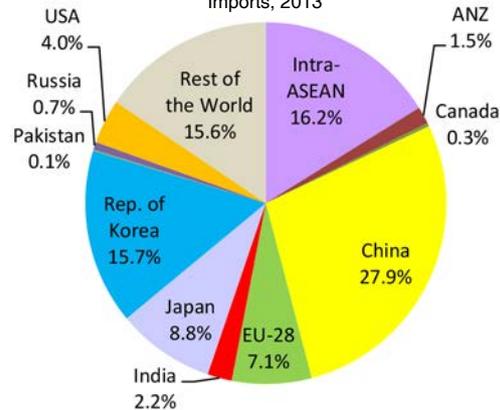
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.22. Thailand Imports, 2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.23. Viet Nam Imports, 2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

C.3. Dependency on Trade Partners in the 2013 Top Commodities

a. Top-twenty commodities in 2013

- ASEAN trade is dependent on a few commodities, with the top twenty import and top twenty export commodities constituting more than half of ASEAN import and export, and the top five import and top five export commodities representing around one-third of ASEAN import and export.
- ASEAN top five trade commodities in 2013, i.e. crude oil, petroleum, electronics integrated circuits, telephone sets/cellular (for both import and export), as well as gold (for import only) and automatic data processing machines (for export only) made up around one-third of the total ASEAN trade.

Table 3.1. ASEAN Top-Twenty Export Commodities^{1/}, 2013

Rank	HS Codes	Commodities	Value (US\$Mn)	Share in export (%)
1	8542	Electronic integrated circuits.	128,824	10.1
2	2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic	103,708	8.2
3	2711	Petroleum gases and other gaseous hydrocarbons.	48,544	3.8
4	8471	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included.	37,861	3.0
5	8517	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data including apparatus for communication in a wired or wireless networks	36,881	2.9
6	2709	Crude oil from petroleum and bituminous minerals	34,530	2.7
7	1511	Palm oil and its fractions, whether or not refined, but not chemically modified.	28,780	2.3
8	2701	Coal, briquettes, ovoids and similar solid fuels manufactured from coal.	23,951	1.9
9	4001	Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip.	20,414	1.6
10	8541	Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes; mounted piezo-electric crystals.	18,843	1.5
11	8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with the machines of headings 84.69 to 84.72.	17,997	1.4
12	8443	Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42, other printers, copying machines and facsimile machines, whether or not combined, parts and accessories thereof.	14,722	1.2
13	8708	Parts and accessories of the motor vehicles of headings 87.01 to 87.05.	13,143	1.0
14	8704	Motor vehicles for the transport of goods.	11,042	0.9
15	7113	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal.	9,772	0.8
16	3901	Polymers of ethylene, in primary forms.	9,570	0.8
17	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.	9,459	0.7
18	8803	Parts of goods of heading 88.01 or 88.02.	8,345	0.7
19	8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled	8,116	0.6
20	8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus.	7,884	0.6
Top 20 export commodities			592,385	46.6
Others			678,688	53.4
Total			1,271,073	100.0

1/ Based on 4-digit code Harmonised System

Source: ASEAN Trade Statistics Database, as of 24 July 2014

Table 3.1. ASEAN Top-Twenty Export Commodities^{1/}, 2013

Rank	HS Codes	Commodities	Value (US\$Mn)	Share in import (%)
1	2710	Petroleum oils and oils obtained from bituminous minerals, other than crude, preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic	144,341	11.6
2	8542	Electronic integrated circuits	117,332	9.5
3	2709	Crude oil from petroleum and bituminous minerals	101,455	8.2
4	8517	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data including apparatus for communication in a wired or wireless networks (such as	32,640	2.6
5	7108	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form.	20,491	1.7
6	2711	Petroleum gases and other gaseous hydrocarbons.	19,708	1.6
7	8471	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included.	17,377	1.4
8	8708	Parts and accessories of the motor vehicles of headings 87.01 to 87.05.	16,547	1.3
9	8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with the machines of headings 84.69 to 84.72.	14,634	1.2
10	8802	Other aircraft (for example, helicopters, aeroplanes); spacecraft (including satellites) and suborbital and spacecraft launch vehicles.	12,942	1.0
11	8541	Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes; mounted piezo-electric crystals.	11,628	0.9
12	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.	10,487	0.8
13	8411	Turbo-jets, turbo-propellers and other gas turbines.	10,234	0.8
14	7208	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated.	9,592	0.8
15	8443	Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof.	9,316	0.8
16	8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holders and other connectors, junction boxes)	8,820	0.7
17	8803	Parts of goods of heading 88.01 or 88.02.	8,206	0.7
18	8431	Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30.	7,969	0.6
19	7403	Refined copper and copper alloys, unwrought.	7,421	0.6
20	3004	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems)	7,193	0.6
		<i>Top 20 import commodities</i>	588,334	47.4
		Others	652,143	52.6
		Total	1,240,476	100.0

^{1/} Based on 4-digit code Harmonised System

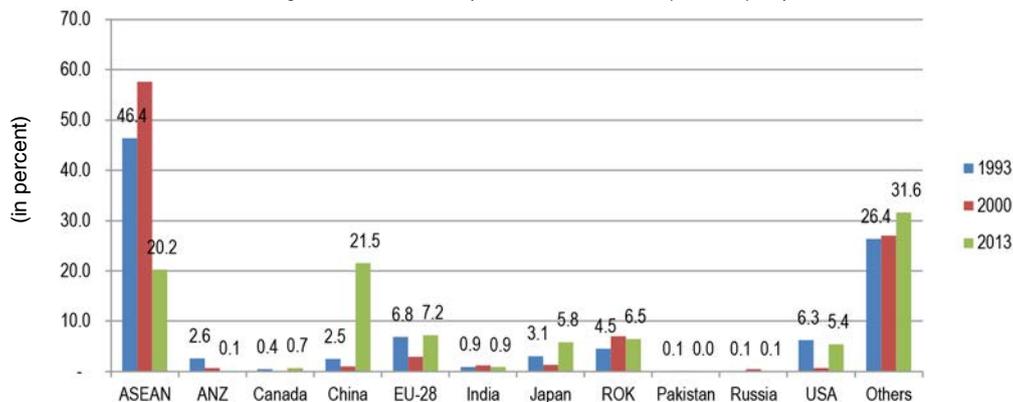
Source: ASEAN Trade Statistics Database, as of 24 July 2014

b. Imports of 2013 top-ten commodities (HS 4-digit level) highly dependent on trade partners (with a share of above 75% of ASEAN imports of the particular commodity)

- It is worth noting that ASEAN imports of the top-ten commodities is highly concentrated from a few major trading partners. Also important to note is that, over the period observed (1993-2013), there have been significant shifts in the dominant import suppliers in many commodities.
- In 2013 China was a particularly important import origin of petroleum oils and oils obtained from bituminous minerals, other than crude; parts and accessories of the motor vehicles; parts and accessories (other than covers, carrying cases and the like); and telephone sets, including telephones for cellular networks or for other wireless networks, with at least 25% of ASEAN import of these products in 2013 originating from China. It is also a relatively important import origin (with a share between 10-20%) of automatic data processing machines and units thereof. The shares of these commodities were very small in 1993.
- The following commodities were very much dependent on USA in 1993 but no longer so in 2013: electronic integrated circuits (ASEAN is now the dominant supplier in 2013 at 58.2%); automatic data processing machines and units thereof (EU-28, China and ASEAN are now the dominant suppliers in 2013 at 14.5%, 13.9% and 9.3%, respectively); and other aircraft, for example, helicopters, aeroplanes (ASEAN, Japan, EU-28 and China are now the dominant suppliers, at 22%, 13.7%, 12.9% and 8.3%, respectively).
- In earlier years, Japan was a very important supplier of parts and accessories of motor vehicles; telephone sets, including telephones for cellular networks or for other wireless networks; gold; and automatic data processing machines and units thereof. But this no longer applied in 2013.
- Meanwhile EU-28 maintained a relatively important role (with a share between 10-20%) in ASEAN import of telephone sets, including telephones for cellular networks or for other wireless networks; and automatic data processing machines and units thereof, and an important role (with a share between 20-30%) ASEAN imports of gold.
- Intra-ASEAN trade of electronic integrated circuits accounted for almost 60% of ASEAN import of these products, a strong indication of well-developed regional production networks for these products. ASEAN was also an important origin of the following: petroleum gases and other gaseous hydrocarbons; gold; petroleum gases and other gaseous hydrocarbons; parts and accessories (other than covers, carrying cases and the like); and automatic data processing.

2710-Petroleum oils and oils obtained from bituminous minerals, other than crude

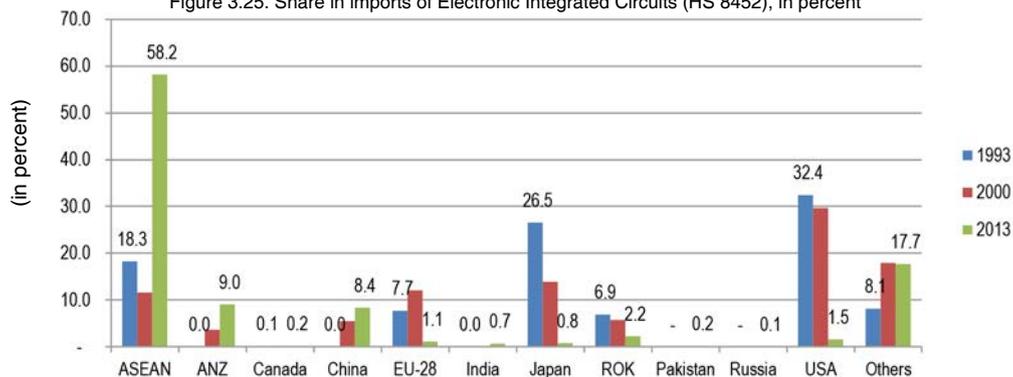
Figure 3.24. Share in imports of Petroleum Oils (HS 2710), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

8542-Electronic integrated circuits

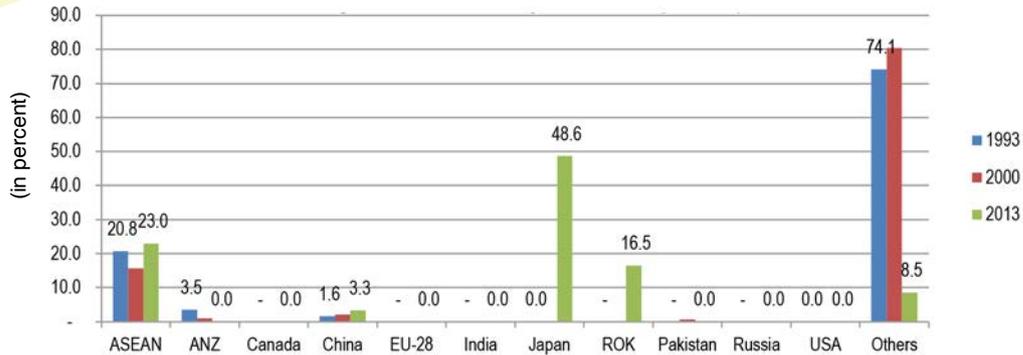
Figure 3.25. Share in imports of Electronic Integrated Circuits (HS 8542), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

2709-Crude oil from petroleum and bituminous minerals

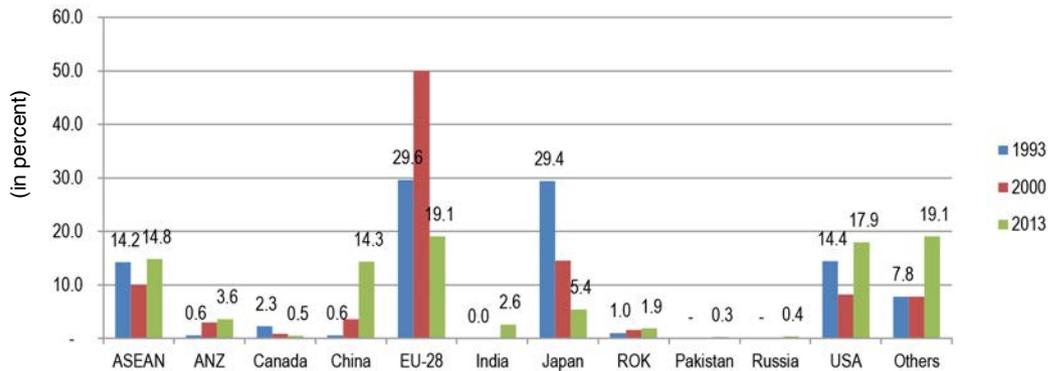
Figure 3.26. Share in imports of Crude Oil (HS 2709), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

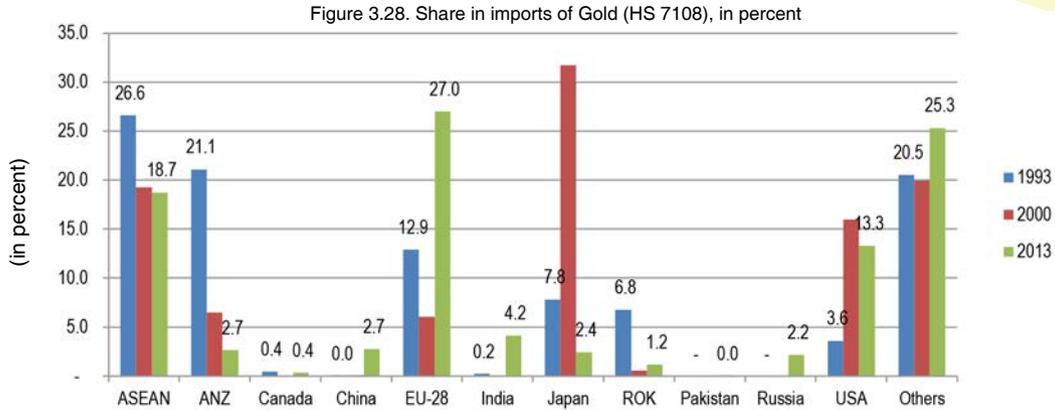
8517-Telephone sets, including telephones for cellular networks or for other wireless networks

Figure 3.27. Share in imports of Telephone Sets (HS 8517), in percent



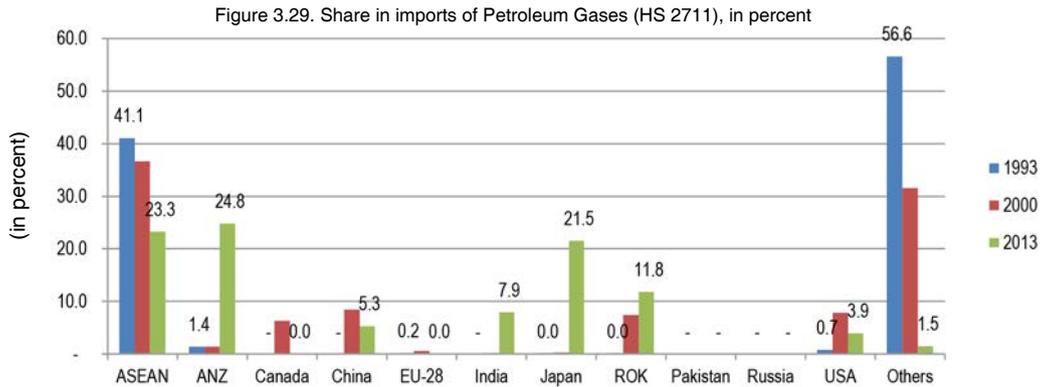
Source: ASEAN Trade Statistics Database, as of 24 July 2014

7108-Gold (including gold plated with platinum) etc.



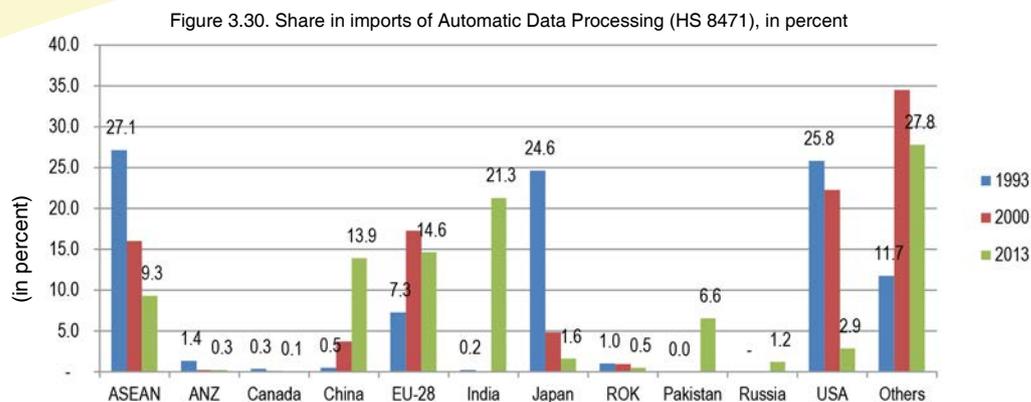
Source: ASEAN Trade Statistics Database, as of 24 July 2014

2711-Petroleum gases and other gaseous hydrocarbons



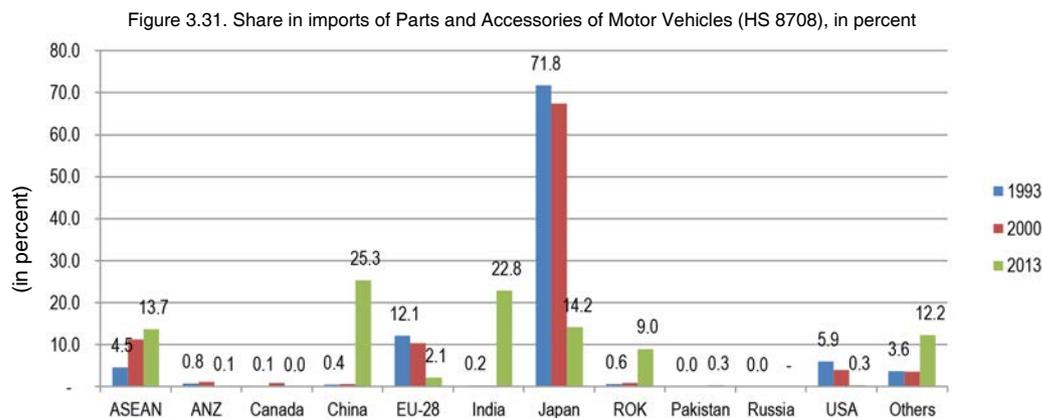
Source: ASEAN Trade Statistics Database, as of 24 July 2014

8471-Automatic data processing machines and units thereof



Source: ASEAN Trade Statistics Database, as of 24 July 2014

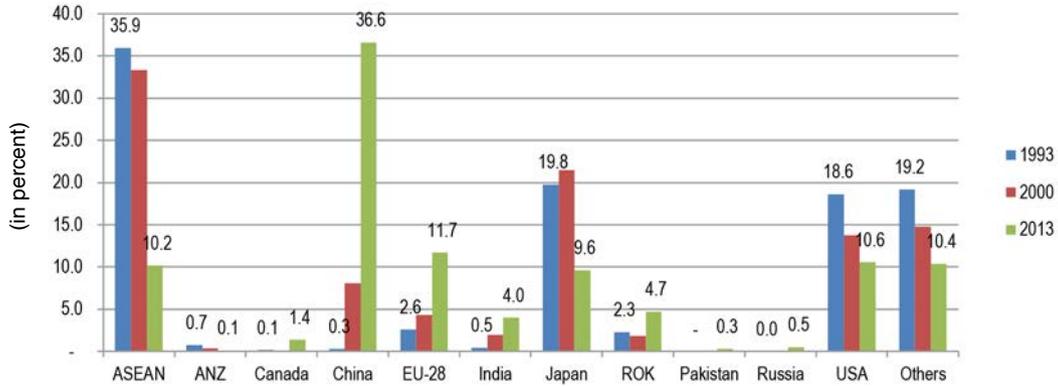
8708-Parts and accessories of the motor vehicles



Source: ASEAN Trade Statistics Database, as of 24 July 2014

8473-Parts and accessories (other than covers, carrying cases and the like)

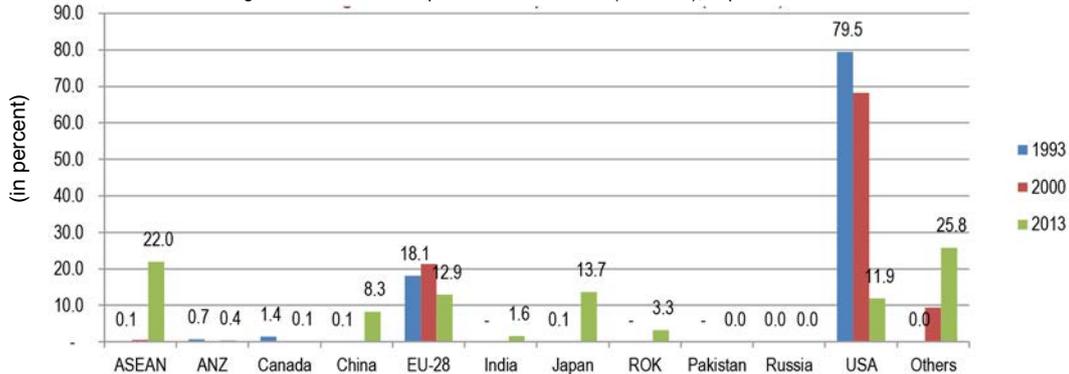
Figure 3.32. Share in imports of Parts and Accessories for Machine Headings (HS 8473), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

8802-Other aircraft (for example, helicopters, aeroplanes); spacecraft

Figure 3.33. Share in imports of Other Aircraft (HS 8802), in percent



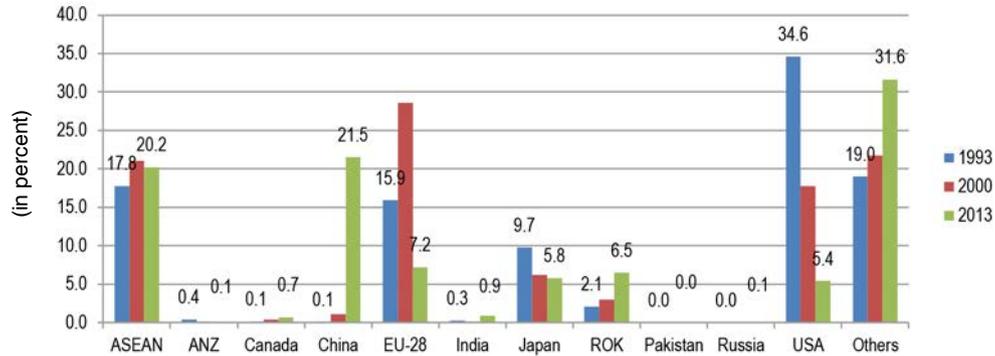
Source: ASEAN Trade Statistics Database, as of 24 July 2014

c. Exports of 2013 top-ten commodities (HS 4-digit level) highly dependent on trade partners (with a share of above 75% of ASEAN exports of the particular commodity)

- Formerly, USA was a very important market for ASEAN exports of electronic integrated circuits; automatic data processing machines and units; telephone sets, including telephones for cellular networks or for other wireless networks; natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums; diodes, transistors and similar semiconductor devices; and photosensitive semiconductor devices. In 2013 their shares were much lower. USA position has been overtaken by ASEAN and Australia and New Zealand in the case of electronic integrated circuit; by India, EU-28 and China in the case of automatic data processing machines; by EU-28 and China in the case of telephones cellular; and by ASEAN, Japan, and EU-28 in the case of transistor and semiconductor.
- Japan used to be the main destination of ASEAN exports of petroleum gases and other gaseous hydrocarbons; crude oil from petroleum and bituminous minerals; coal; and briquettes, ovoids and similar solid fuels manufactured from coal. Recently, Japan recorded relatively small market shares in these products, overtaken by ASEAN, Australia and New Zealand, and China in the case of petroleum oils; by Australia and New Zealand, ASEAN in the case of crude oils; and by China and ASEAN in the case of coal. However, Japan remained a very important market for petroleum gases, with nearly half of ASEAN exports of these products going to Japan in 2013.
- Meanwhile EU-28 remained a relatively important market for automatic data processing machines and units thereof; magnetic or optical readers, machines; palm oil and its fractions, whether or not refined, but not chemically modified; telephone sets, including telephones for cellular networks or for other wireless networks; palm oil and its fractions, whether or not refined, but not chemically modified; diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices; and natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums.
- In recent years, China has emerged as an important market for ASEAN exports of electronic integrated circuits, coal, briquettes, ovoids and similar solid fuels manufactured from coal, and natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums.
- Intra-ASEAN trade has become important in a number of top-ten export commodities, and was particularly dominant in the case of petroleum oils and oils obtained from bituminous minerals, other than crude, of which almost 60% of export was directed to ASEAN Member States in 2013.

8542-Electronic integrated circuits

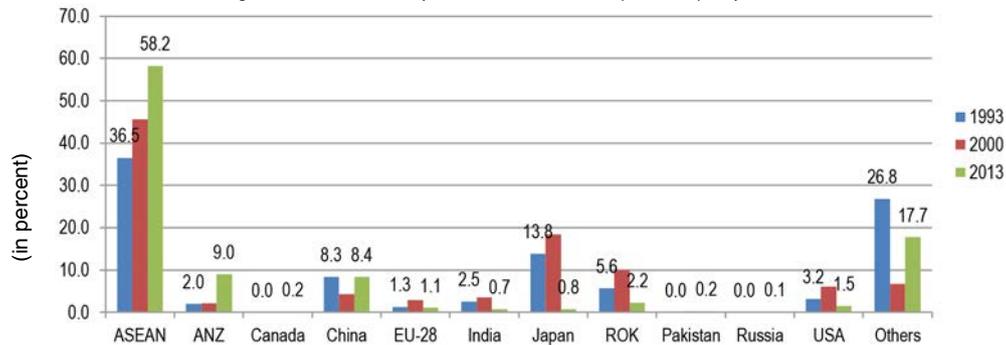
Figure 3.34. Share in exports of Electronic Integrated Circuits (HS 8542), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

2710-Petroleum oils and oils obtained from bituminous minerals, other than crude oils

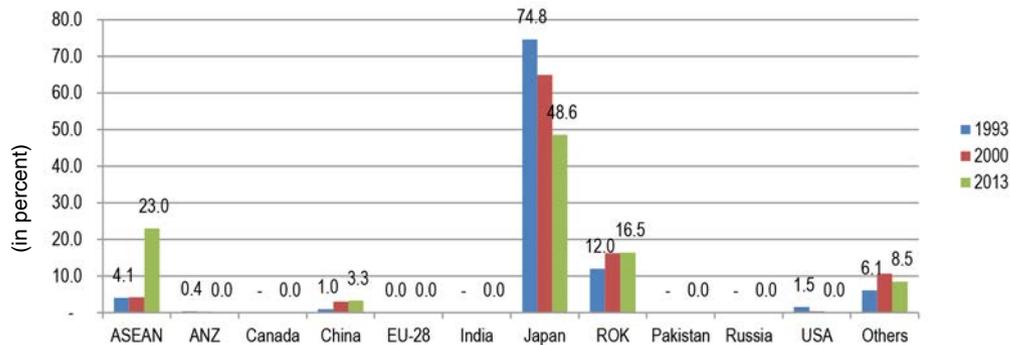
Figure 3.35. Share in exports of Petroleum Oils (HS 2710), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

2711-Petroleum gases and other gaseous hydrocarbons

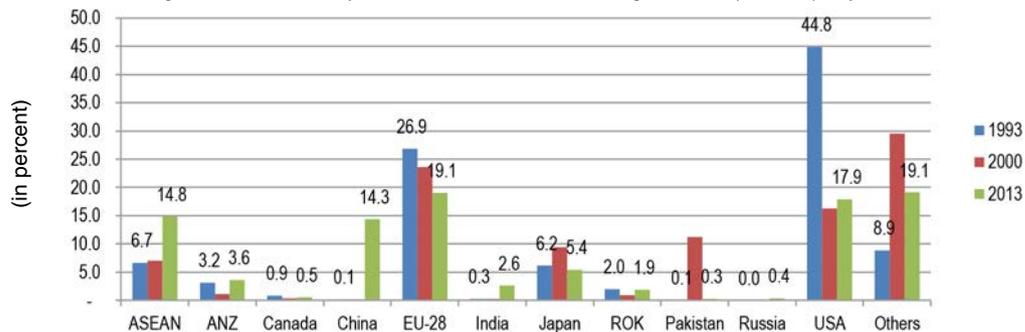
Figure 3.36. Share in exports of Petroleum Gases (HS 2711), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

8471-Automatic data processing machines and units thereof; magnetic or optical readers, machines

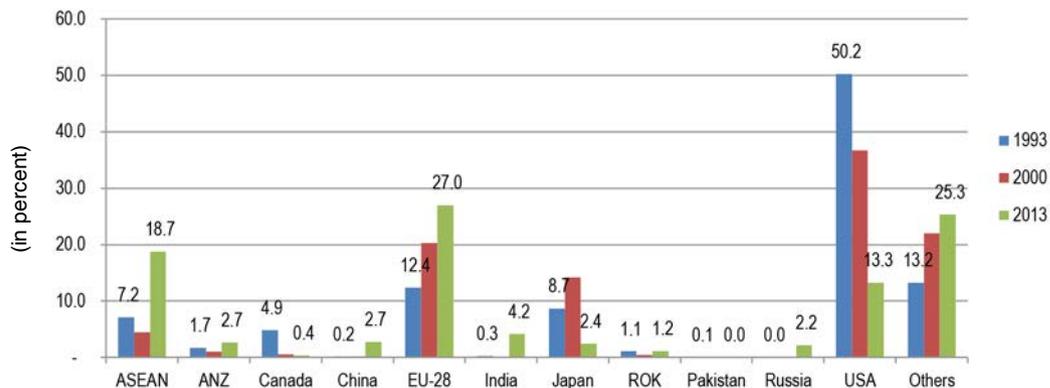
Figure 3.37. Share in exports of Automatic Data Processing Machines (HS 8471), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

8517-Telephone sets, including telephones for cellular networks or for other wireless networks

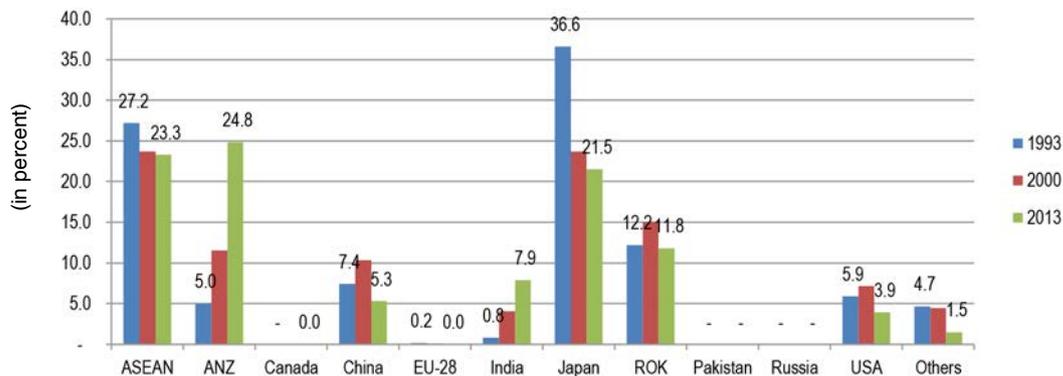
Figure 3.38. Share in exports of Telephone Sets (HS 8517), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

2709-Crude oil from petroleum and bituminous minerals

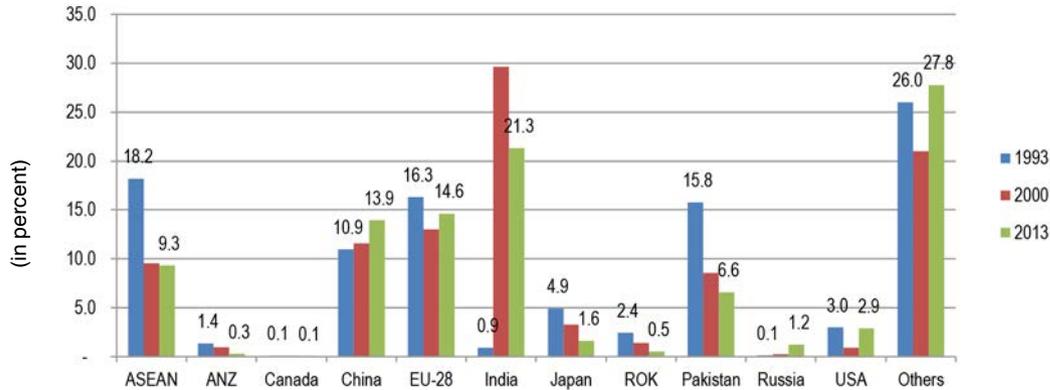
Figure 3.39. Share in exports of Crude Oil (HS 2709), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

1511-Palm oil and its fractions, whether or not refined, but not chemically modified

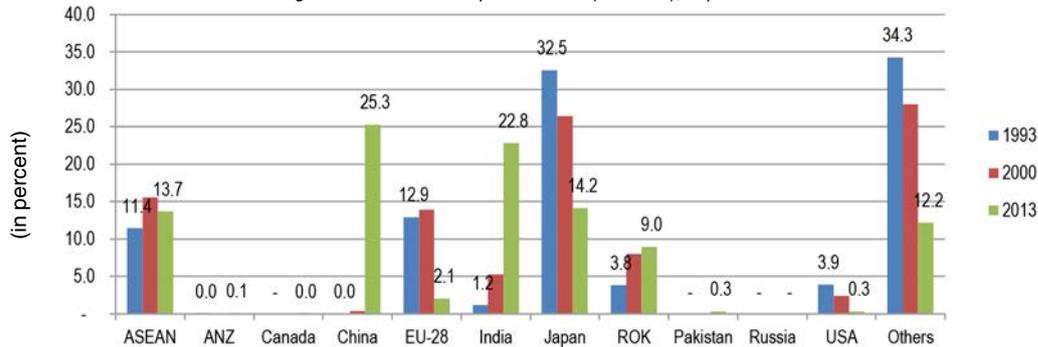
Figure 3.40. Share in exports of Palm Oils (HS 1511), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

2701-Coal; briquettes, ovoids and similar solid fuels manufactured from coal

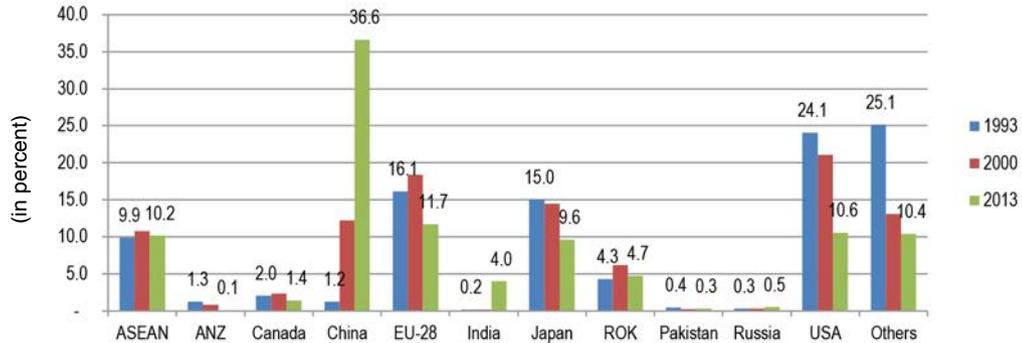
Figure 3.41. Share in exports of Coal (HS 2701), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

4001-Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums

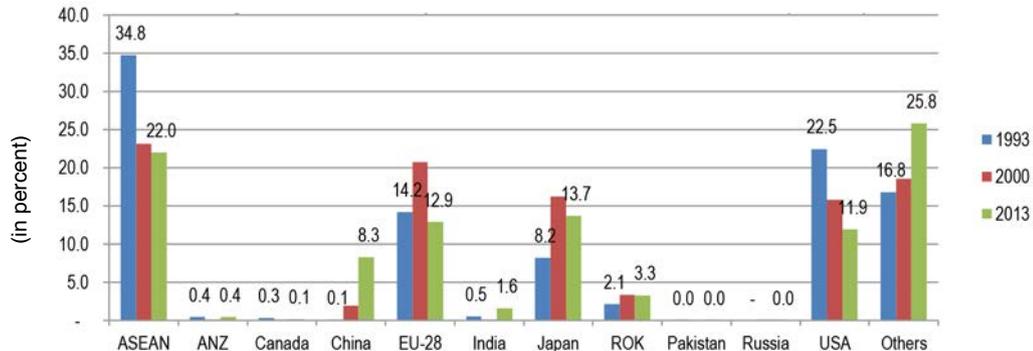
Figure 3.42. Share in exports of Natural Rubber (HS 4001), in percent



Source: ASEAN Trade Statistics Database, as of 24 July 2014

8541-Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices

Figure 3.43. Share in exports of Diodes and Semiconductor Devices (HS 8541), in percent



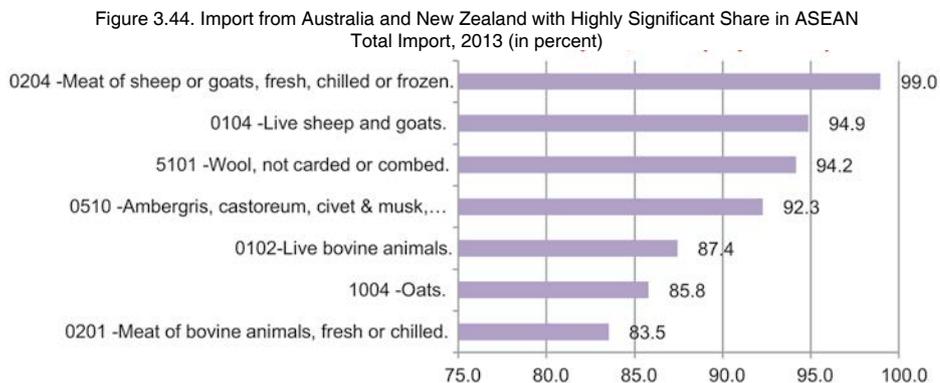
Source: ASEAN Trade Statistics Database, as of 24 July 2014

C.4. Dependency on Trade Partners in Other Commodities

a. Imports of HS 4-digit level commodities highly dependent on trade partners (with a share of more than 75% of ASEAN import of the particular commodity), in 2013

Imports from Australia and New Zealand (ANZ)

While accounting for a relatively low share of overall ASEAN trade, ANZ has a highly important role as an import supplier of live animal, meat, wool and oats. More than 80% of ASEAN imports of these commodities originated from ANZ.

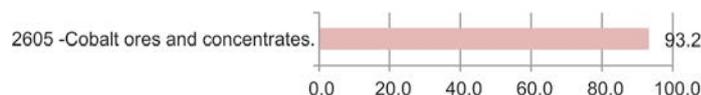


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from Canada

ASEAN was highly dependent on Canada in cobalt ores and concentrates import.

Figure 3.45. Import from Canada with Highly Significant Share in ASEAN Total Import, 2013 (in percent)

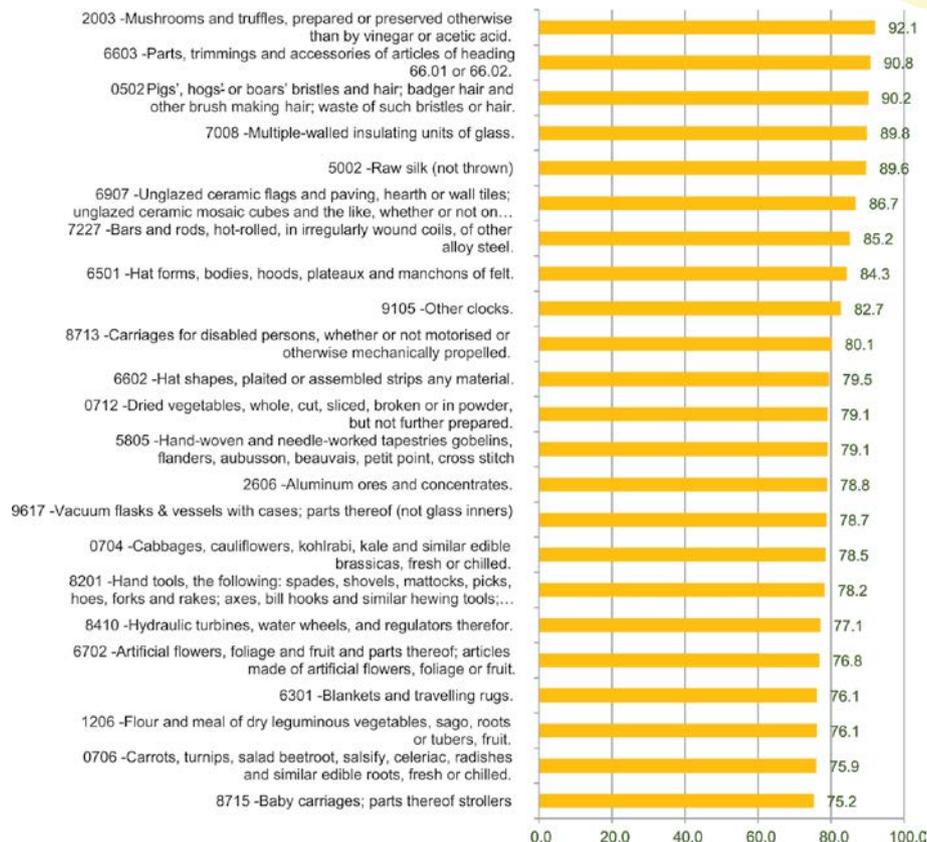


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from China

ASEAN has a high degree of dependency on imports from China for the following commodities in 2013, although none of these commodities appear in the top-twenty ASEAN import commodities.

Figure 3.46. Import from China with Highly Significant Share in ASEAN Total Import, 2013 (in percent)



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from European Union (EU-28)

ASEAN was highly dependent on EU-28 for 15 imported commodities, such as glands for organic therapeutic uses; peat; bulbs, tubes; wine lees, etc.; none falls under the top-twenty ASEAN import commodities.

Figure 3.47. Import from EU-28 with Highly Significant Share in Total ASEAN Import, 2013 (in percent)

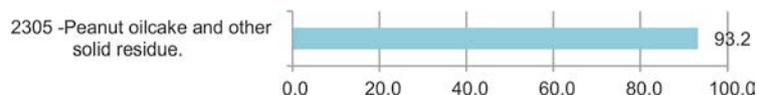


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from India

ASEAN was highly dependent on imports from India, especially of peanut oilcake and other solid residues.

Figure 3.48. Import from India with Highly Significant Share in ASEAN Total Import, 2013 (in percent)

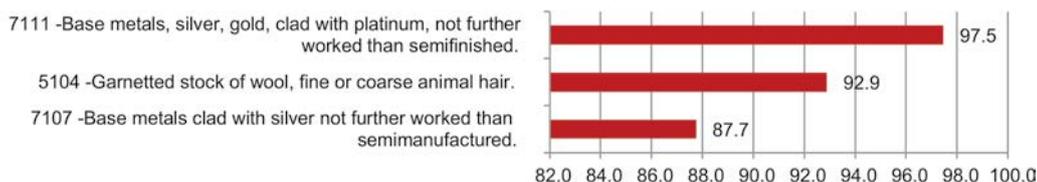


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from Japan

More than 80% of ASEAN imports of base metals, silver or gold clad; and garnetted stock of wool originated from Japan.

Figure 3.49. Import from Japan with Highly Significant Share in ASEAN Total Import, 2013 (in percent)

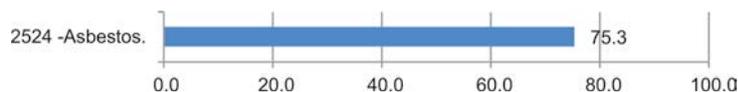


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from Russia

ASEAN import of asbestos was highly dependent on Russia.

Figure 3.50 Import from Russia with Highly Significant Share in ASEAN Total Import, 2013 (in percent)

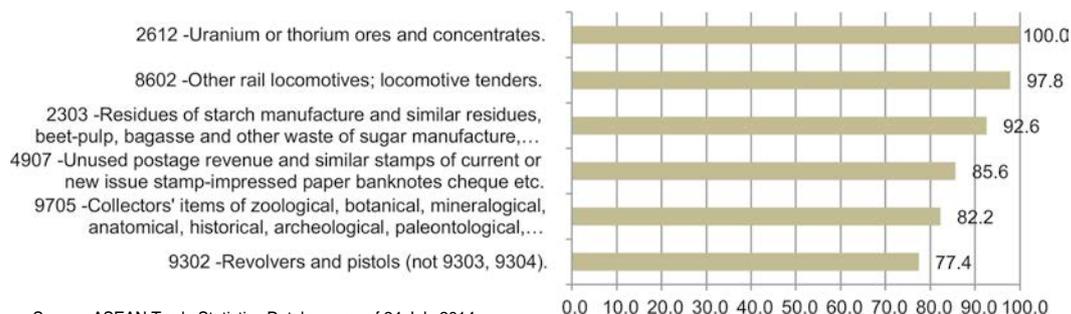


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from USA

More than 75% of revolvers and pistols, uranium, and a few other commodities were imported from the USA.

Figure 3.51. Import from USA with Highly Significant Share in ASEAN Total Import, 2013 (in percent)



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Imports from other major trade partners

No commodity was highly dependent on import from Pakistan and ROK.

Figure 3.52. Import from Other Dialogue Partner Countries with Highly Significant Share in ASEAN Total Import, 2013

Country	Commodity
Pakistan	no commodity with a share of more that 75%
ROK	no commodity with a share of more that 75%

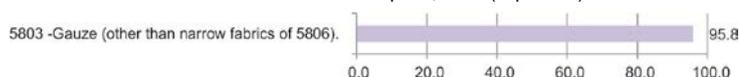
Source: ASEAN Trade Statistics Database, as of 24 July 2014

b. Exports of HS 4-digit level commodities highly dependent on trade partners, (with a share of more than 75% of ASEAN exports of the particular commodity), in 2013

Exports to Australia and New Zealand (ANZ)

In only one export commodity was ASEAN highly dependent on Australia and New Zealand markets.

Figure 3.53. Export to Australia and New Zealand with Highly Significant Share in ASEAN Total Exports, 2013 (in percent)

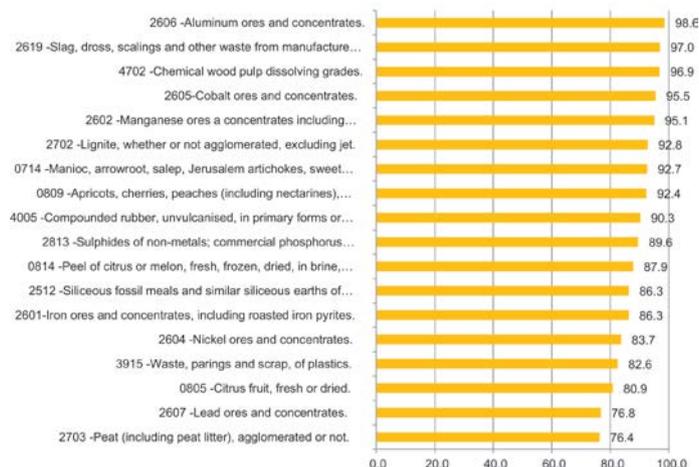


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Exports to China

For 18 commodity lines, ASEAN export was highly dependent on China's market, in which between 75% and 98.6% of ASEAN exports of these commodities were sent to China.

Figure 3.54. Exports to China with Highly Significant Share in ASEAN Total Export, 2013 (in percent)



Source: ASEAN Trade Statistics Database, as of 24 July 2014

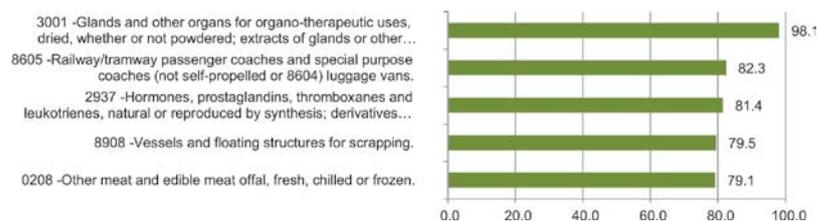
Exports to the European Union (EU-28)

Five export commodities were highly dependent on EU-28 market with shares of more than 75% of ASEAN exports of these particular commodities.

Exports to India

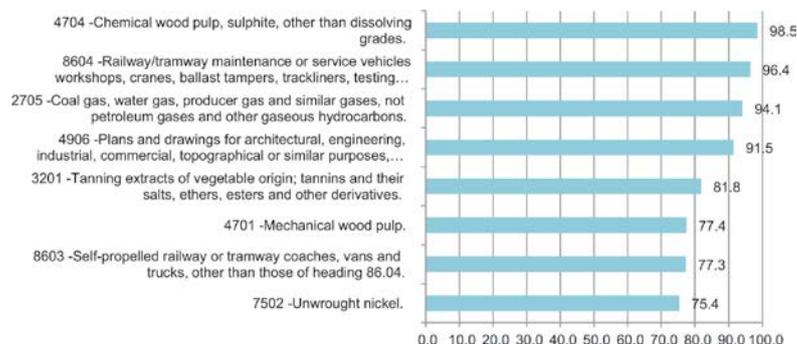
More than 75% of ASEAN exports of tanning extracts of vegetables origin; chemical wood pulp; coal gas, water gas, and a few others were exported to India.

Figure 3.54. Export to China with Highly Significant Share in ASEAN Total Export, 2013 (in percent)



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 3.56. Export to India with Highly Significant Share in ASEAN Total Export, 2013 (in percent)

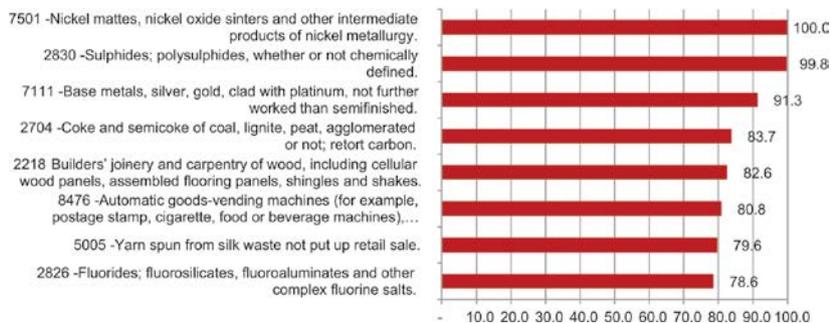


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Exports to Japan

In total, 8 commodities such as nickel mates; base metals, silver of gold; coke and semicoke of coal; and a few others were highly dependent on Japan as an export market.

Figure 3.57. Export to Japan with Highly Significant Share in ASEAN Total Export, 2013 (in percent)

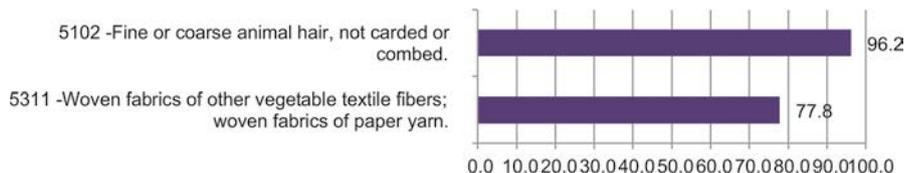


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Exports to the Republic of Korea (ROK)

Fine or coarse animal hair and woven fabrics of other vegetable textile were highly dependent on ROK, with more than 75% of ASEAN exports of these commodities sold in ROK.

Figure 3.58. Export to Republic of Korea with Highly Significant Share in ASEAN Total Export, 2013 (in percent)

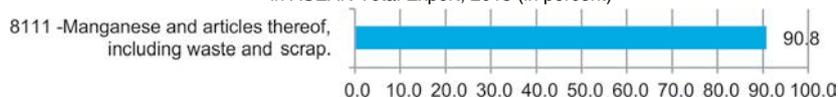


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Exports to Russia

More than 90% of manganese and articles thereof were exported to Russia.

Figure 3.59. Export to Russia with Highly Significant Share in ASEAN Total Export, 2013 (in percent)

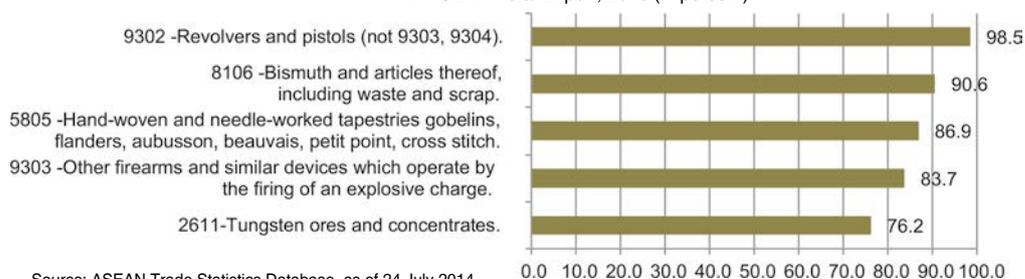


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Exports to USA

More than 75% of revolvers and pistol; hand-woven and needle-worked tapestries gobelins; other firearms; and tungsten ores and concentrates were exported to USA.

Figure 3.60. Export to USA with Highly Significant Share in ASEAN Total Export, 2013 (in percent)



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Exports to other major trade partners

No commodity was highly dependent on Canada and Pakistan markets in 2013.

Figure 3.61. Export to Other Dialogue Partner Countries with Highly Significant Share in ASEAN Total Export, 2013

Country	Commodity
Canada	no commodity with a share of more than 75%
Pakistan	no commodity with a share of more than 75%

Source: ASEAN Trade Statistics Database, as of 24 July 2014



D. Trade Pattern of Selected Commodities



Changes in trade patterns and dependencies differ across commodities. The following sections highlighted key trends on trade in selected commodities, including the Priority Integration Sectors' products.

D.1. Trend of Export, Import, and Trade Balance of Selected Commodities

- In general, trade in five selected commodities still enjoyed moderate annual growth rates (between 5-9.9%), except for pharmaceutical products which experienced a very high annual average growth rate of around 17% during the last 20 years (1993-2013).
- 2002-2007 was the best period for most of the selected commodities, with average annual growth rates of around 15% or higher. Pharmaceutical products and rice exhibited very high growth rates during this period, at 57% and over 20%, respectively. Prior to 2002 most of these commodities grew by 5% or lower.

Figure 4.1.1. Growth Rates of Exports of Selected Commodities

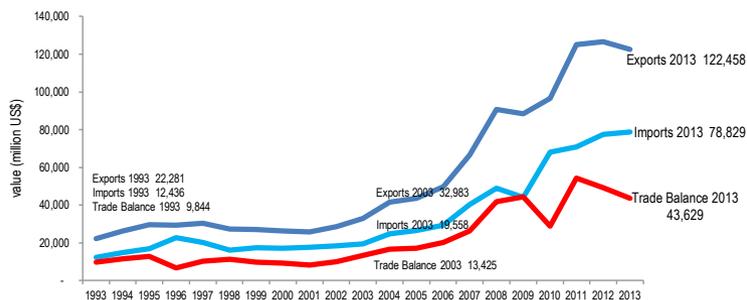
Products	1993-2002	2002-2007	2007-2012	1993-2013
Agricultural products	 2.8	 18.4	 10.7	 8.9
Manufacturing products	 7.9	 14.8	 6.1	 9.0
Rice	 2.4	 21.7	 9.5	 9.1
Cane sugar	 2.3	 14.6	 15.7	 9.2
Pharmaceutical products	 5.1	 57.2	 7.0	 16.8
Very high (15% or higher)				
High (10-14.9%)				
Fairly high (5-9.9%)				
Low (<5%)				

Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trend of ASEAN trade in agricultural products

- Both ASEAN exports and imports of agricultural products increased steadily by around 9% per annum on average during 1993-2013, with export amounting to US\$122 billion, while import stood at US\$79 billion or around 60% of export, in 2013.
- ASEAN trade balance in agricultural products was also increasing in general and stood at US\$44 billion in 2013.

Figure 4.1.2. ASEAN Exports and Imports of Agricultural Products, 1993-2013

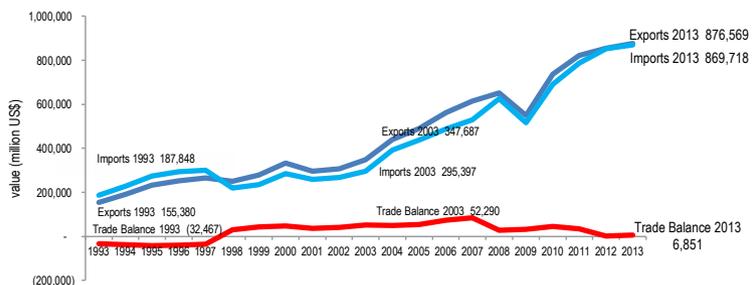


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trend of ASEAN trade in manufacturing products

ASEAN exports and imports of manufacturing products were almost the same both in terms of value and rate of growth. Both increased by around 9% per annum on average during 1993-2013, reaching US\$875 billion in 2013, while trade balance remained small, around US\$7 billion during the entire period.

Figure 4.1.3. ASEAN Exports and Imports of Manufacturing Industry Products, 1993-2013

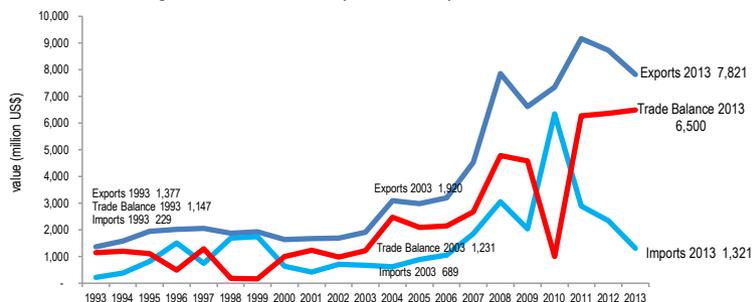


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trend of ASEAN trade in rice

- ASEAN has recorded a surplus in its rice trade, the region's staple food, since 2007 and has remained a rice net exporter despite a significant decline in its trade balance in 2010.
- ASEAN recorded US\$7.8 billion in rice export and posted US\$6.5 billion in surplus in 2013.

Figure 4.1.4. ASEAN Exports and Imports of Rice, 1993-2013

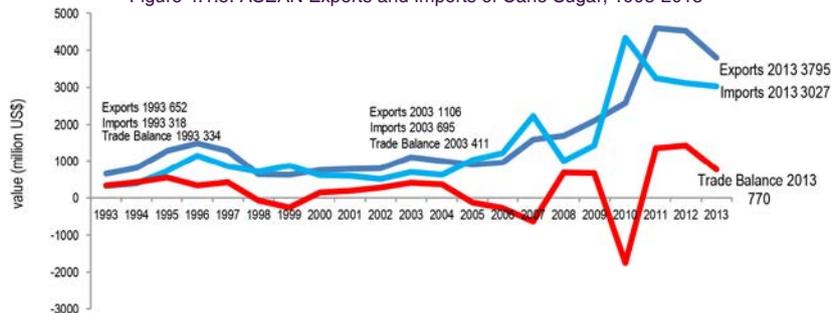


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trend of ASEAN trade in cane sugar

Supply of cane sugar is somewhat volatile; with ASEAN imports of cane sugar occasionally exceeding its export value over the period of 1993-2013. ASEAN trade surplus during this period was always very thin except for the last three years. Since 2007 both export and import of cane sugar grew much faster than the previous periods.

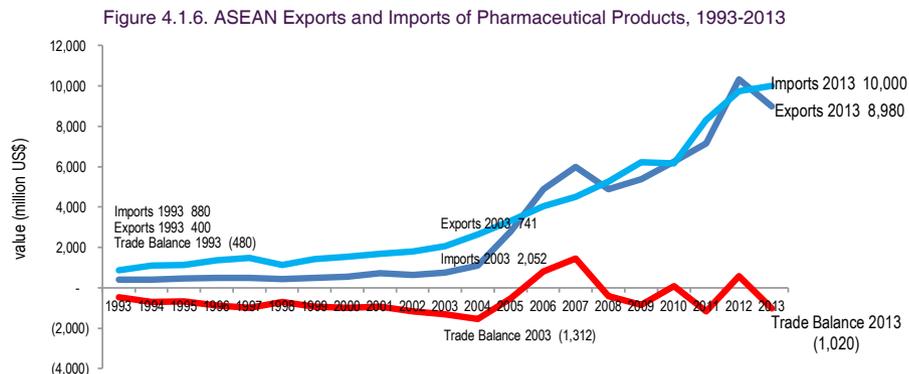
Figure 4.1.5. ASEAN Exports and Imports of Cane Sugar, 1993-2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trend of ASEAN trade in pharmaceutical products

While ASEAN has recorded a deficit in pharmaceutical products trade for most of the periods, the deficit has been narrowing as export continued to catch up with and occasionally surpassed import since 2005. ASEAN export stood at US\$10 billion in 2013, higher than its import level of US\$9 billion. The former has been increasing at a high rate since 2003, signalling promising potential as an export sector.



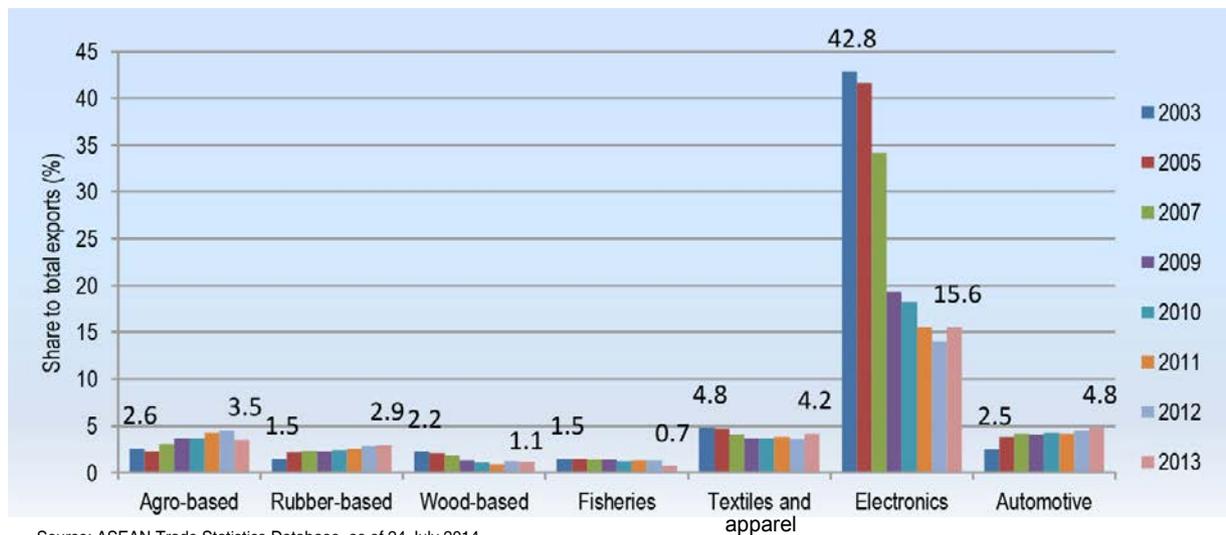
Source: ASEAN Trade Statistics Database, as of 24 July 2014

D.2. Trend of Export, Import, and Trade Balance of the Priority Integration Sectors (PIS)

a. PIS share in ASEAN total export

- In terms of share in total export, among all PIS only the share of electronic products was very significant, reaching above 40% of ASEAN total export in 2003. For the rest of the PIS, the share was below 5%.
- However, export of electronic products has declined sharply since 2007. Exports of wood-based products also declined slightly while the rest of the PIS were either stable or showed a slight increase.

Figure 4.2.1. Trend of ASEAN Exports of PIS Products, 2003-2013

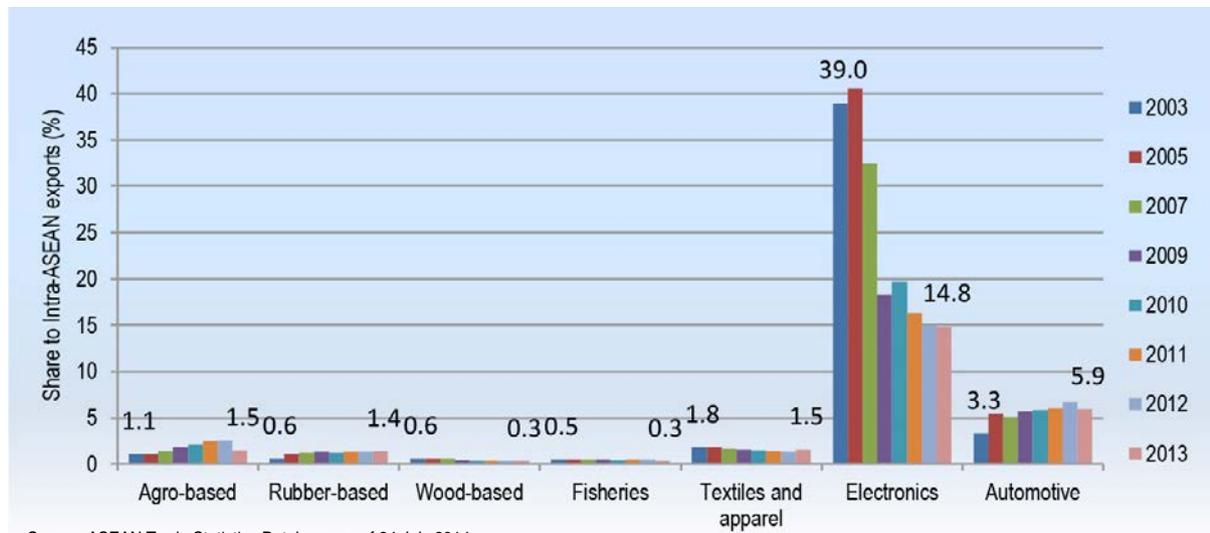


Source: ASEAN Trade Statistics Database, as of 24 July 2014

PIS share in intra-ASEAN total export

Similar patterns were observed in intra-ASEAN exports of PIS, where the share of intra-ASEAN exports of electronic products were also dominating but has been declining sharply since 2007, meanwhile the share of automotive has been increasing in the past 10 years.

Figure 4.2.2. Trend of Intra-ASEAN Exports of PIS Products, 2003-2013



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Overall trend of exports of ASEAN PIS products

- For the period 1993-2013, only the exports of agro-based and automotive products grew at a high rate of between 10-15% per annum, while four PIS products experienced fairly high growth rates (5-9.9%) and fisheries grew by only 1.9%.
- The 2002-2007 period was the best period for PIS, with export recording a very high annual growth rate (15% or higher), except for wood-based products and textile which grew by around 11% and 14%, respectively. Exports of automotive products export grew at a remarkably high rate of 34% per year.
- In recent years (2007-2013), exports of wood-based, fisheries, and electronic products declined significantly. Exports of electronic products recorded a negative growth rate of 1.7% per year, after enjoying buoyant growth of 17% per year in the previous five years (2002-2007) and 11% per year from 1993 to 2002. Agro-based, rubber-based and automotive exports maintained a high rate of annual growth of between 9-11% in the last few years, while the growth of textile and clothing exports has slowed down to around 7% per year on 2007-2013.

Figure 4.2.3. Growth Rates of Exports of PIS Products

	1993-2002	2002-2007	2007-2013	1993-2013
Agro-based	5.0	23.8	9.0	10.6
Rubber-based	1.2	23.0	11.3	9.3
Wood-based	8.2	10.6	-2.0	5.6
Fisheries	0.0	15.0	-5.3	1.9
Textiles and Apparels	0.4	13.5	7.3	5.6
Electronics	10.7	17.3	-1.7	8.4
Automotive	5.4	34.1	9.7	13.3
Very high (15% or higher)				
High (10-14.9% 9)				
Fairly high (5-9.9%)				
Low (below 5%)				

Source: ASEAN Trade Statistics Database, as of 24 July 2014

- ASEAN has always been a net exporter of the following PIS products: agro-based, rubber-based, wood-based and fisheries products, with big surplus of around US\$30 billion and US\$20 billion for the first two products, respectively. There was a declining trend in exports of wood-based and fisheries products since 2007, with trade surplus standing at around US\$11 billion and US\$5 billion in 2013, respectively.
- ASEAN maintained its position as a net exporter of textile, although trade surplus has been more or less stagnant at around US\$17 billion since 2007.

- Exports of electronics (including both intermediate and final products) almost reached US\$200 billion in 2013, but ASEAN also imported electronics worth US\$178 billion, leaving the region with a surplus of only US\$20 billion. The electronic trade surplus declined since 2007 as export plunged from 2007 to 2009 before stabilising at around US\$200 billion since 2010.
- ASEAN remained a net importer of automotive products although export is closely catching up with import, with total trade reaching US\$62 billion in 2013, resulting in a small trade deficit of below US\$1 billion.

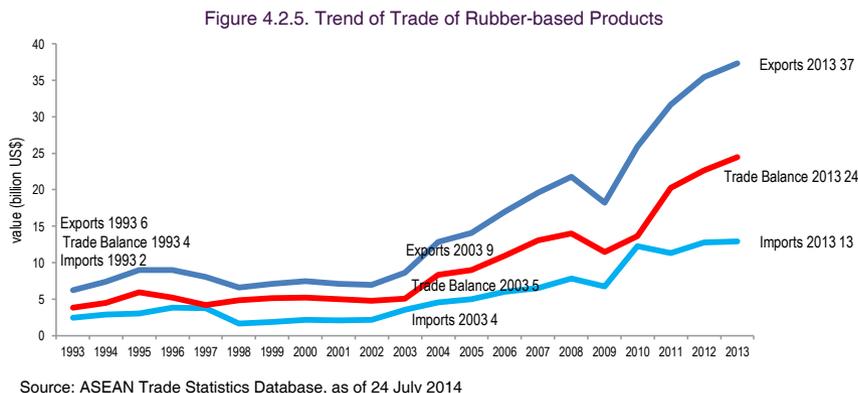
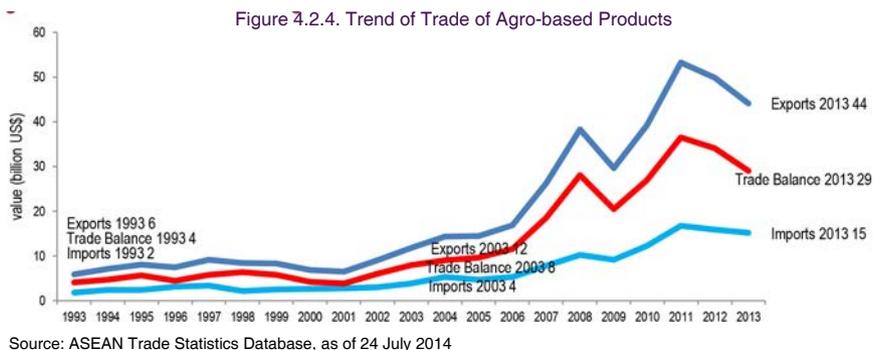
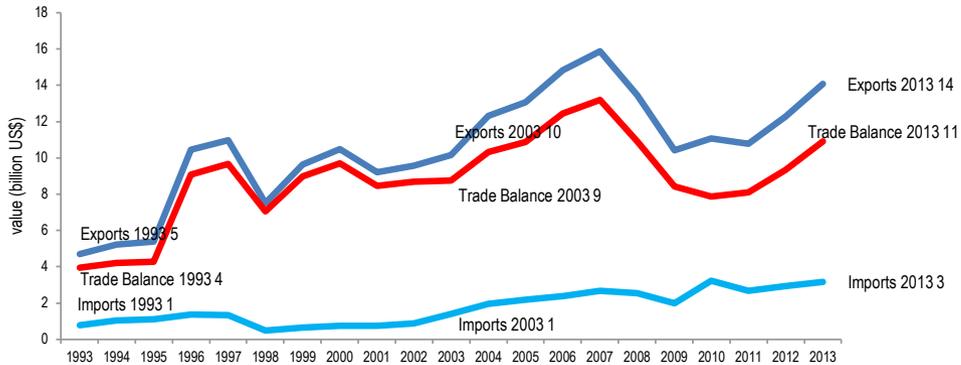
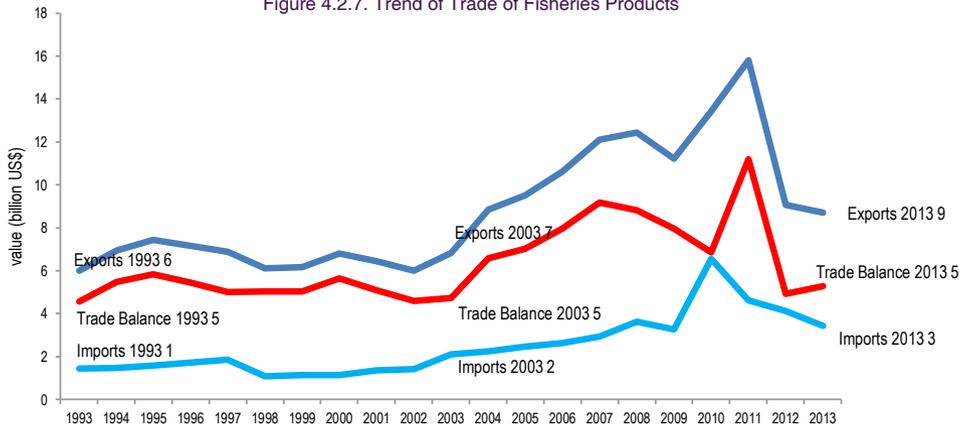


Figure 4.2.6. Trend of Trade of Wood-based Products

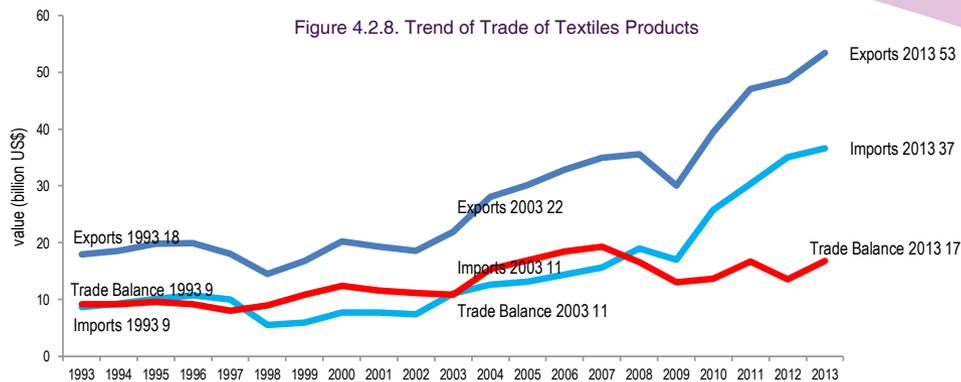


Source: ASEAN Trade Statistics Database, as of 24 July 2014

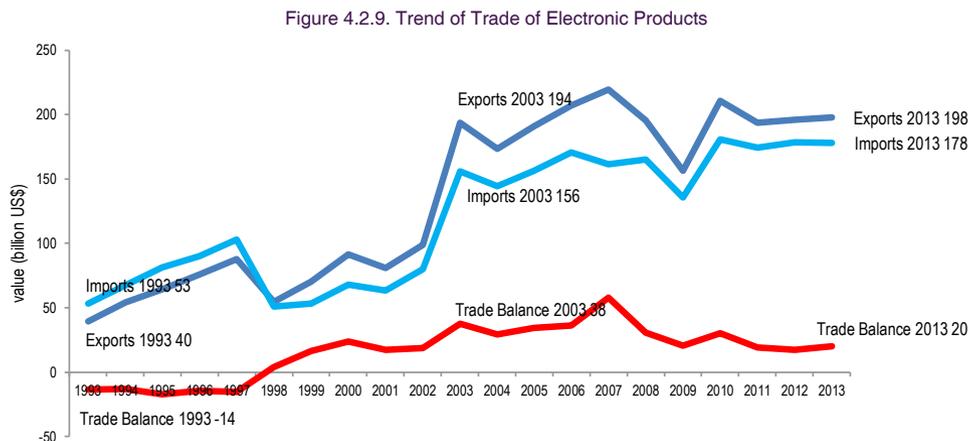
Figure 4.2.7. Trend of Trade of Fisheries Products



Source: ASEAN Trade Statistics Database, as of 24 July 2014

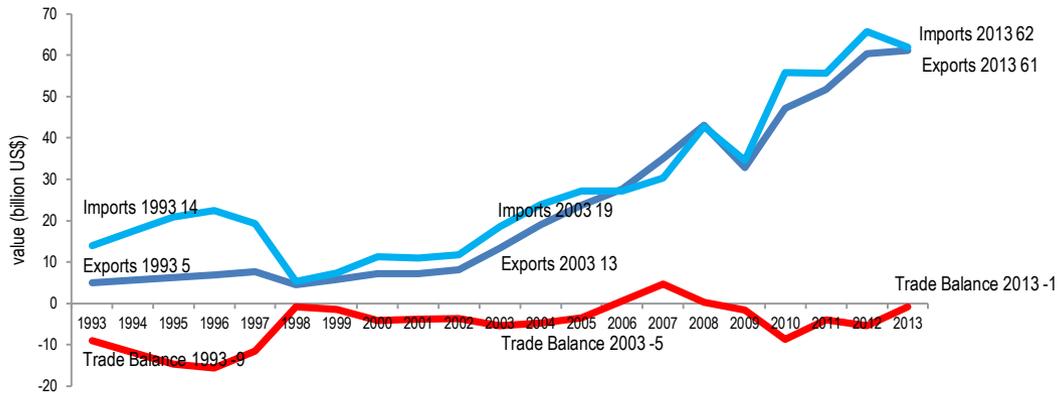


Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.10. Trend of Trade of Automotive Products



Source: ASEAN Trade Statistics Database, as of 24 July 2014

b. Intra-ASEAN and extra-ASEAN exports of PIS products

- For both intra- and extra-ASEAN export of PIS products, 2002-2007 was the best period, with five of the seven PIS increasing between 15% and 37% per year on average and the other two by between 10% and 15%. For all seven goods-related PIS, both intra- and extra-ASEAN export grew at much lower rates during 2007-2013, with wood-based, fisheries and electronic products even growing at negative rates.
- Extra-ASEAN export value was between 7 to 15 times of intra-ASEAN export in the case of agro-based, rubber-based, wood-based, fisheries, and textiles, and 2 and 3 times larger in the case of automotive and electronics products, respectively. This confirmed the earlier analysis of more intensified intra-regional trade in the latter two sectors.
- For five PIS products, extra-ASEAN export increased faster than intra-ASEAN export, but for fisheries and rubber-based products, the rate of growth of intra-ASEAN export is higher than that of extra-ASEAN export.

Figure 4.2.11. Average Annual Growth Rates of Intra-ASEAN and Extra-ASEAN Exports of PIS Products

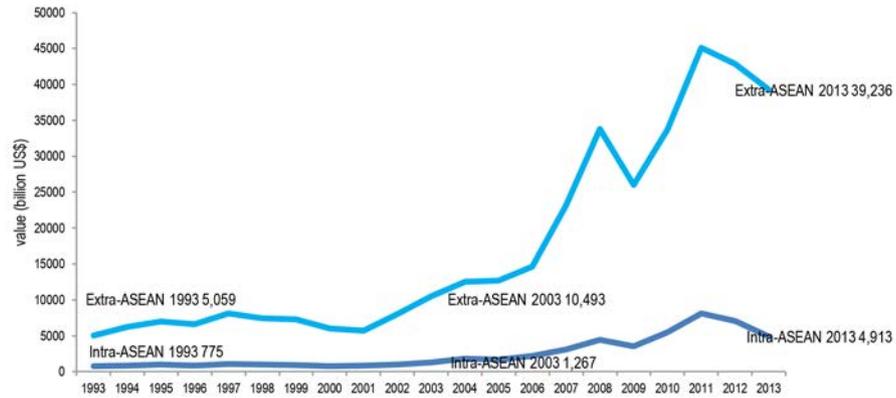
PIS	Intra & Extra	1993-2002	2002-2007	2007-2013	1993-2013	2013 Ratio of extra/intra
Agro-based	Intra-ASEAN	● 3.2	● 24.8	● 8.0	● 9.7	8.0
	Extra-ASEAN	● 5.3	● 23.6	● 9.2	● 10.8	
Rubber-based	Intra-ASEAN	● 2.0	● 32.3	● 11.0	● 11.7	7.1
	Extra-ASEAN	● 1.1	● 22.0	● 11.4	● 9.1	
Wood-based	Intra-ASEAN	● 2.8	● 12.4	● -3.9	● 3.0	14.7
	Extra-ASEAN	● 8.7	● 10.5	● -1.8	● 5.9	
Fisheries	Intra-ASEAN	● 1.1	● 12.9	● -0.3	● 3.5	8.4
	Extra-ASEAN	● -0.1	● 15.2	● -5.8	● 1.7	
Textiles and Apparels	Intra-ASEAN	● -5.4	● 19.2	● 6.1	● 3.7	9.5
	Extra-ASEAN	● 1.1	● 12.9	● 7.5	● 5.9	
Electronics	Intra-ASEAN	● 7.5	● 18.3	● -0.7	● 7.5	3.0
	Extra-ASEAN	● 11.7	● 17.1	● -2.0	● 8.7	
Automotive	Intra-ASEAN	● 3.1	● 37.2	● 11.0	● 13.2	2.1
	Extra-ASEAN	● 6.4	● 32.9	● 9.1	● 13.3	

Notes:

Very high (>15%)	●
High (10-14.9%)	●
Fairly high (5-9.9%)	●
Low (<5%)	●

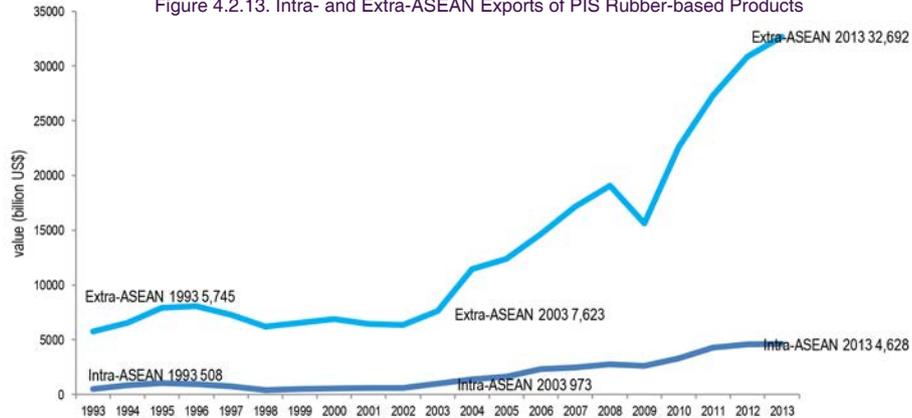
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.12. Intra- and Extra-ASEAN Exports of PIS Agro-based Products

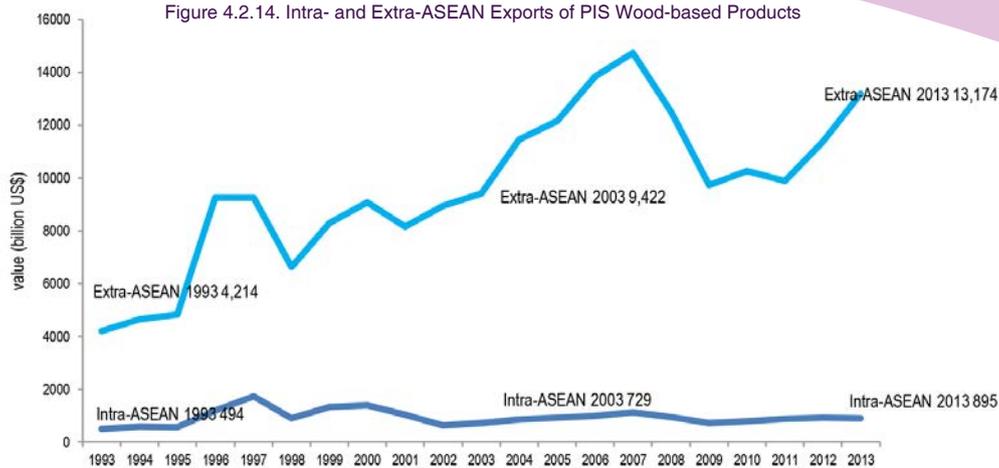


Source: ASEAN Trade Statistics Database, as of 24 July 2014

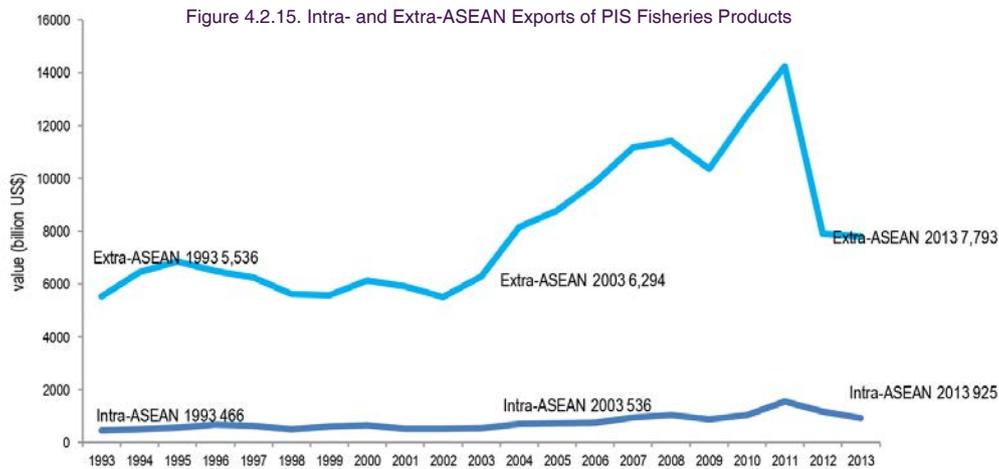
Figure 4.2.13. Intra- and Extra-ASEAN Exports of PIS Rubber-based Products



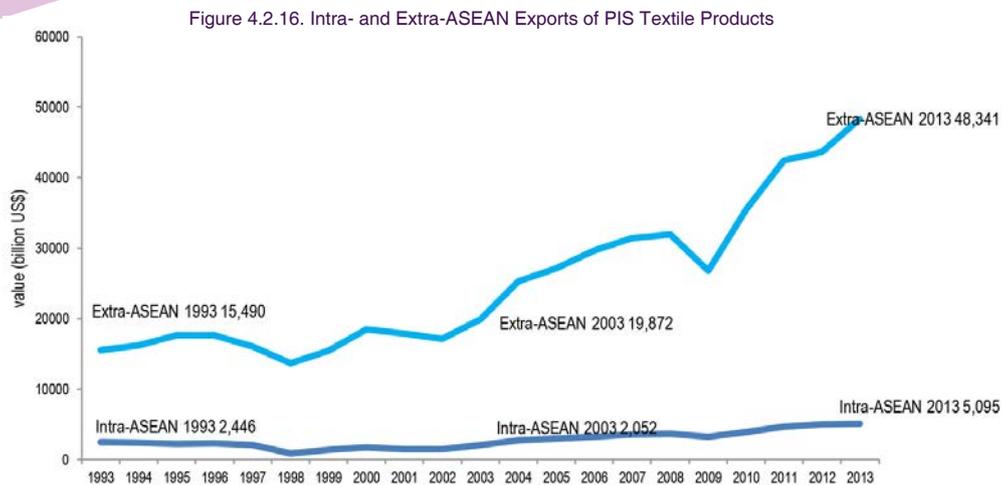
Source: ASEAN Trade Statistics Database, as of 24 July 2014



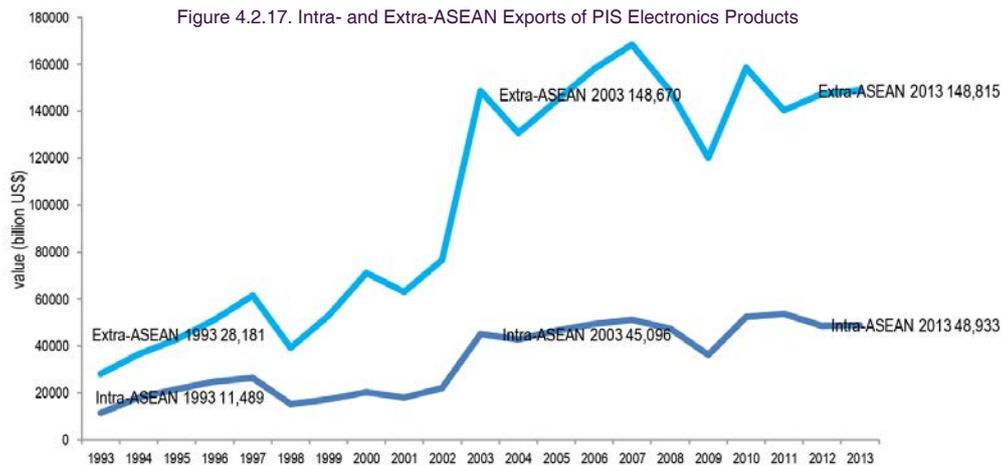
Source: ASEAN Trade Statistics Database, as of 24 July 2014



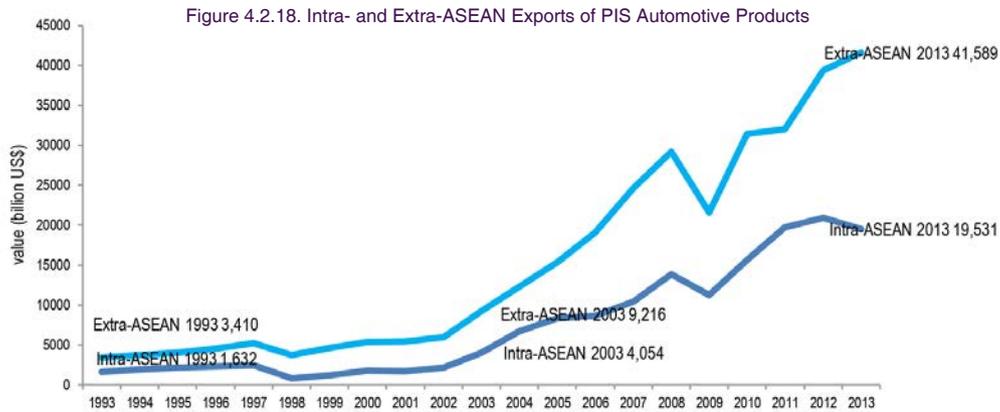
Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014

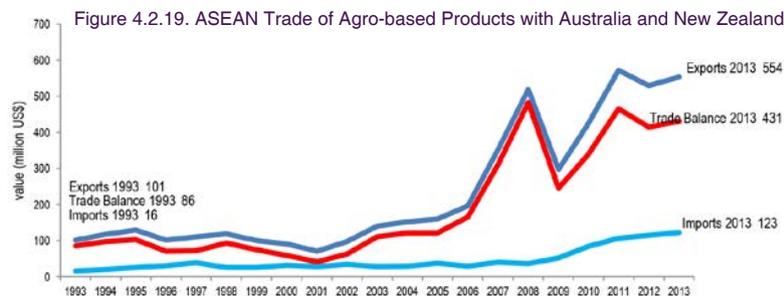


Source: ASEAN Trade Statistics Database, as of 24 July 2014

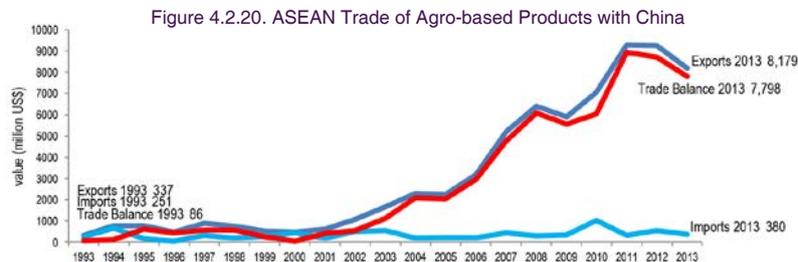
a. Trend and trade balance of specific PIS products

Trade balance and 1993-2013 trend of ASEAN trade in agro-based products

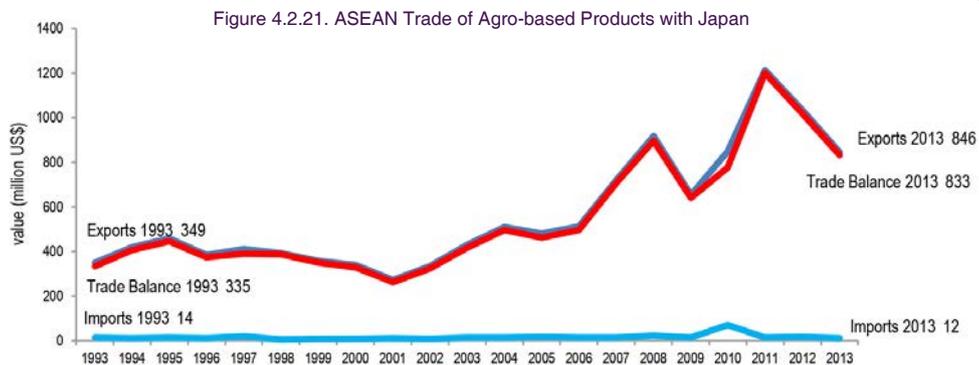
- ASEAN recorded a surplus in its trade of agro-based products with its major trade partners. In the case of Australia and New Zealand, China, Japan, ROK, and EU-28, ASEAN import was very small, resulting in trade surplus below US\$1 billion each, except for ASEAN-China with nearly US\$8 billion surplus and ASEAN-EU-28 trade with US\$6.3 billion surplus in 2013.
- A different pattern in terms of trade in agricultural products with USA was observed, showing a deficit until 2005. However, ASEAN export of these products to USA increased significantly starting in 2006, leading to US\$1.4 billion surplus in 2013.
- Trade balance of agricultural products showed an increasing trend in all ASEAN major trade partners. rubber-based products, the rate of growth of intra-ASEAN export is higher than that of extra-ASEAN export.



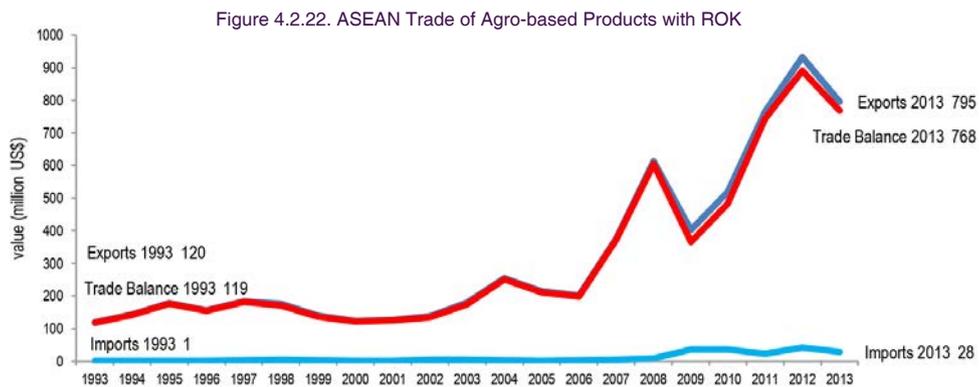
Source: ASEAN Trade Statistics Database, as of 24 July 2014



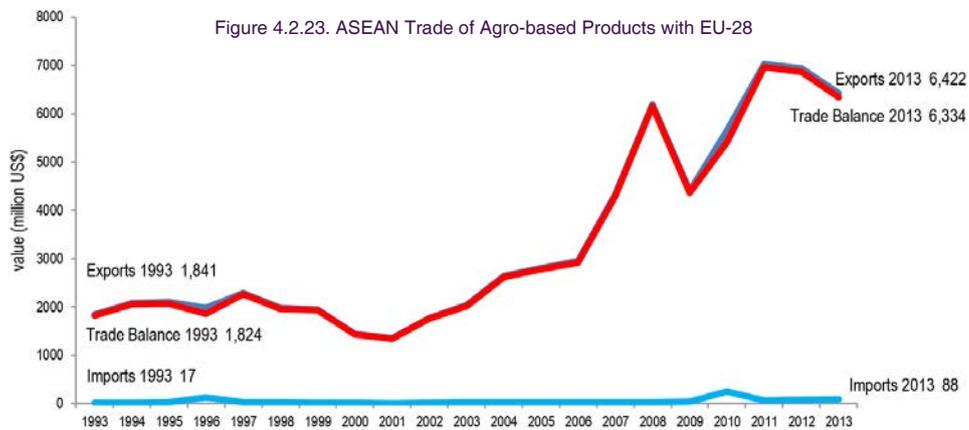
Source: ASEAN Trade Statistics Database, as of 24 July 2014



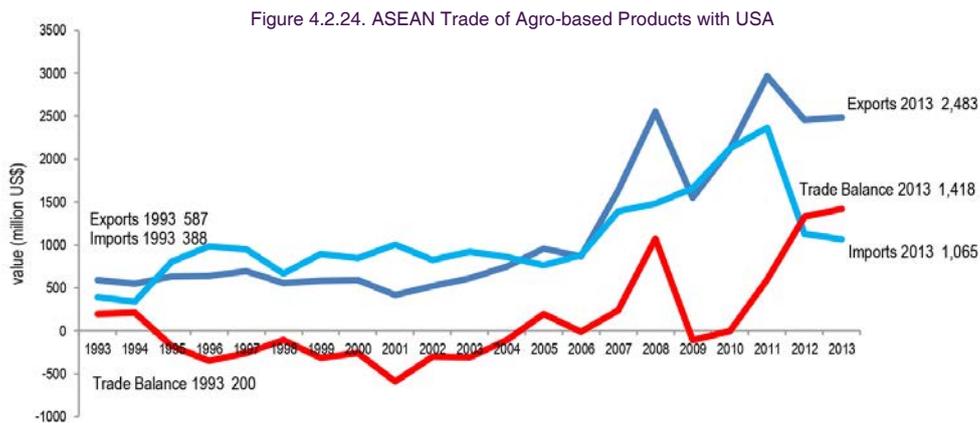
Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014

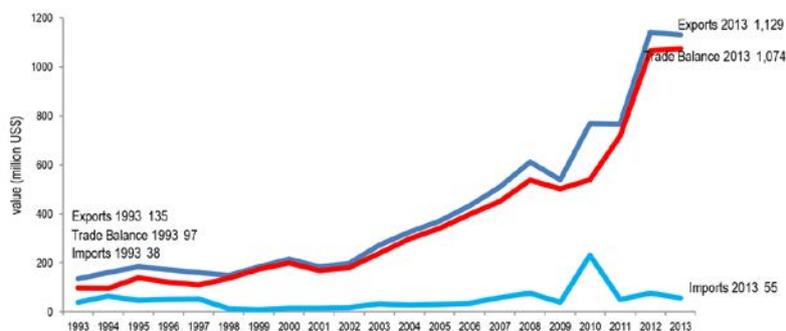


Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trade balance and 1993-2013 trend of ASEAN trade in rubber-based products

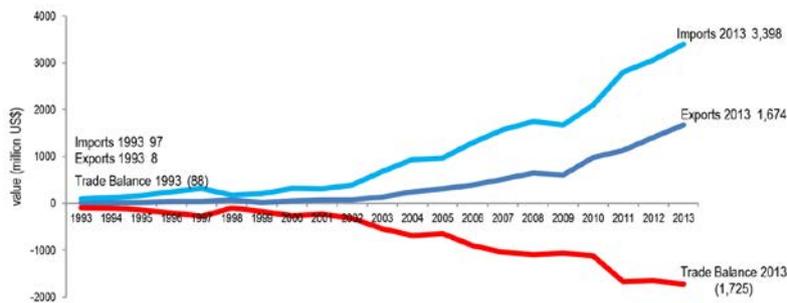
- ASEAN recorded a large surplus in 2013 of US\$7 billion and US\$8 billion respectively, in its trade of rubber-based products with EU-28 and USA, and a small surplus with Australia and New Zealand, and Japan. On the other hand, ASEAN experienced relatively large deficit over the period 1993-2013 in its trade of rubber-based products with China and until 2012 in the case of ROK.
- Increasing trade surpluses of rubber-based products have been observed in all ASEAN major trade partners except for China, which showed increasing trade deficit and ROK with small and diminishing trade deficit.

Figure 4.2.25. ASEAN Trade of Rubber-based Products with Australia and New Zealand



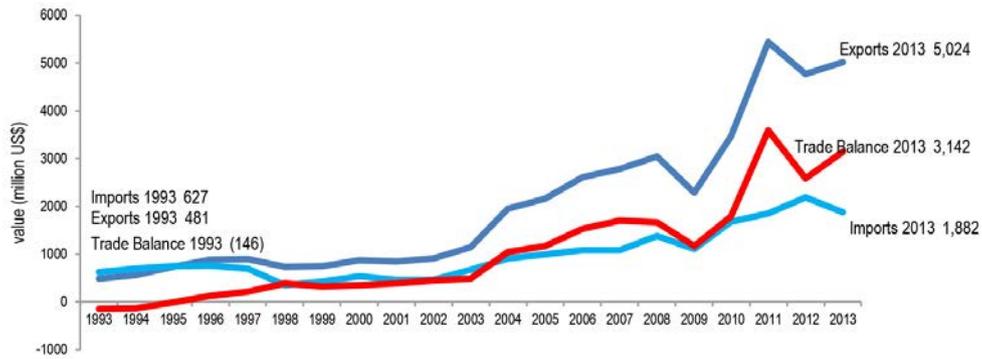
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.26. ASEAN Trade of Rubber-based Products with China



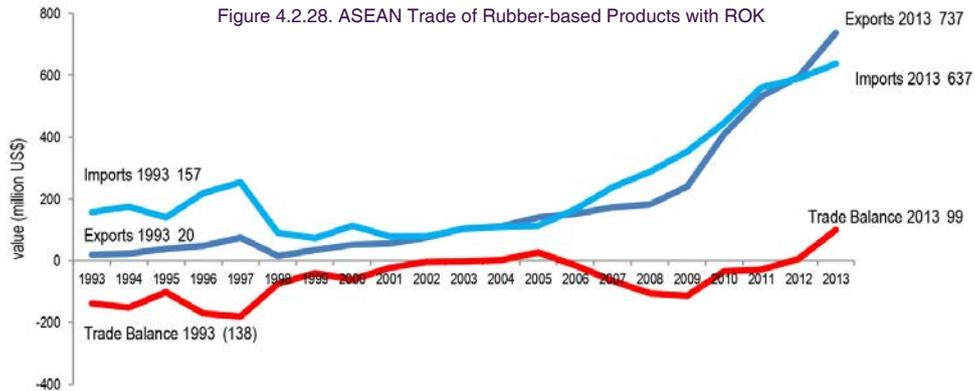
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.27. ASEAN Trade of Rubber-based Products with Japan

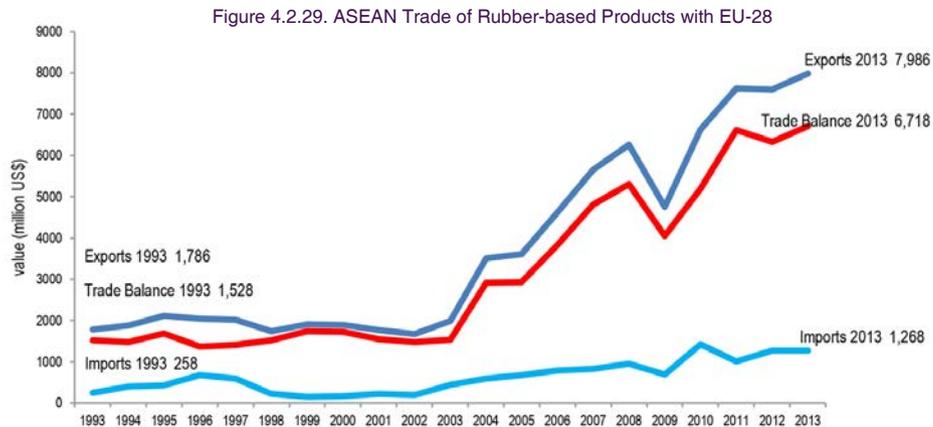


Source: ASEAN Trade Statistics Database, as of 24 July 2014

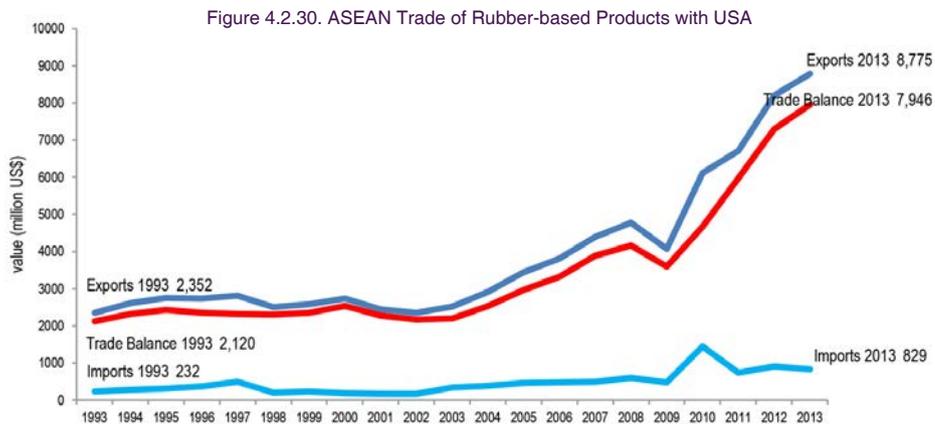
Figure 4.2.28. ASEAN Trade of Rubber-based Products with ROK



Source: ASEAN Trade Statistics Database, as of 24 July 2014



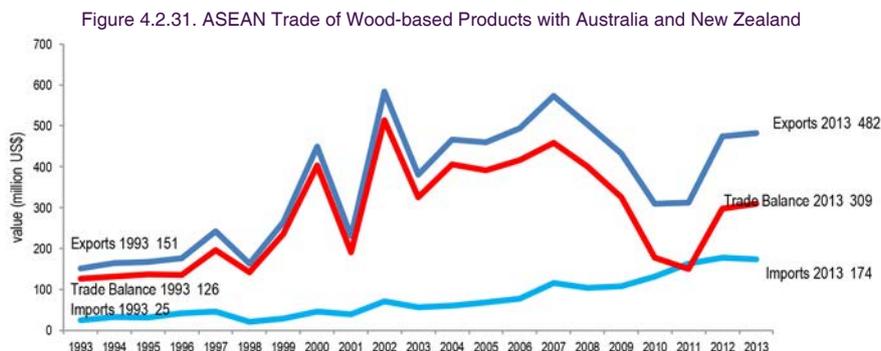
Source: ASEAN Trade Statistics Database, as of 24 July 2014



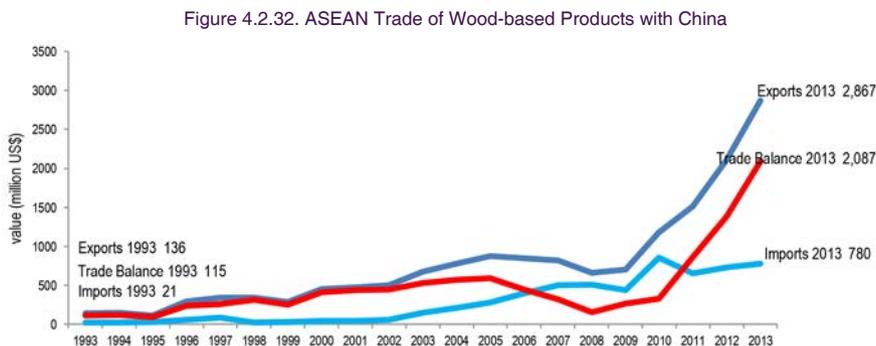
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trade balance and 1993-2013 trend of ASEAN trade in wood-based products

- Trade surplus was recorded in ASEAN trade of wood-based products with its major trade partners, with import value nearing zero in the case of trade with Japan, ROK, EU-28 and USA. Most of the surplus in trade of wood-based products with major trade partners was less than US\$3 billion each in 2013.
- Export and trade balance of wood-based products showed increasing trend but with a significant drop from 2007 to 2010 following the 2008 global financial crisis, except for ASEAN trade of wood-based products with China.

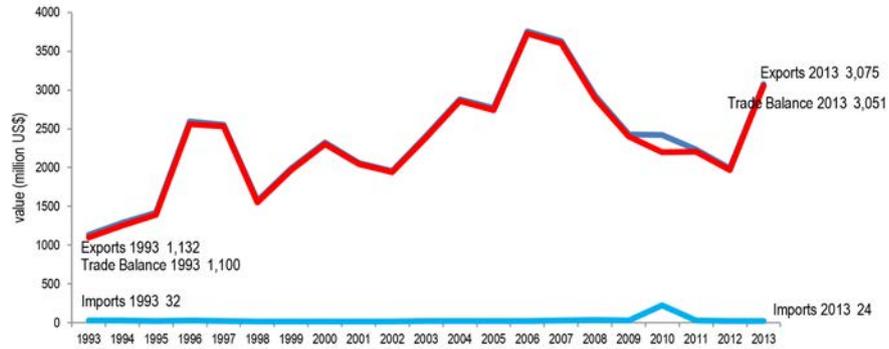


Source: ASEAN Trade Statistics Database, as of 24 July 2014



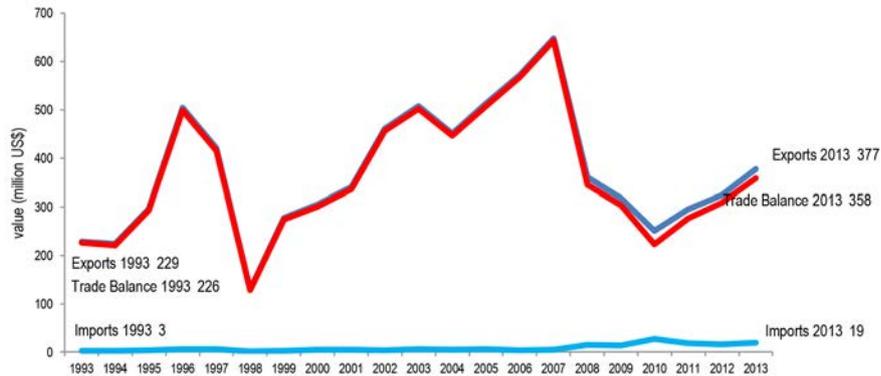
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.33. ASEAN Trade of Wood-based Products with Japan

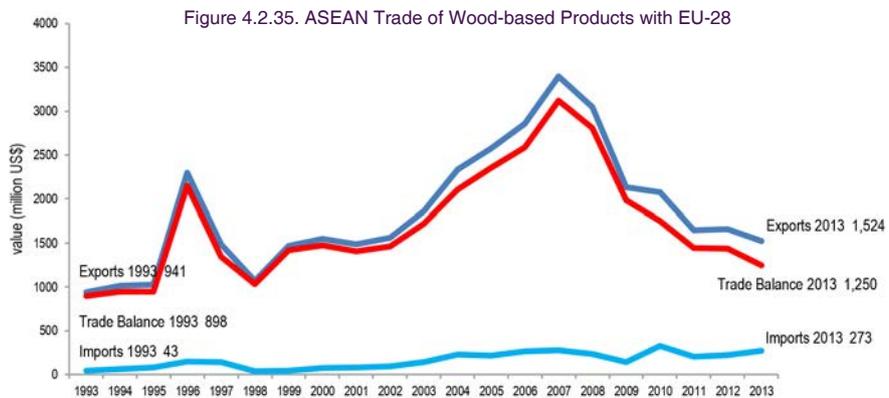


Source: ASEAN Trade Statistics Database, as of 24 July 2014

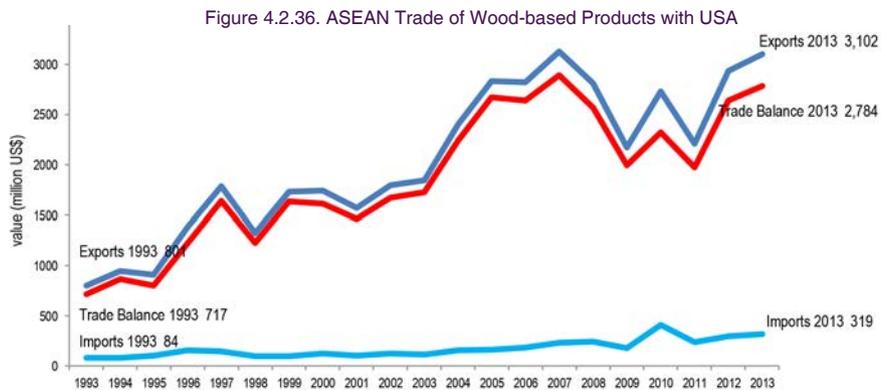
Figure 4.2.34. ASEAN Trade of Wood-based Products with ROK



Source: ASEAN Trade Statistics Database, as of 24 July 2014



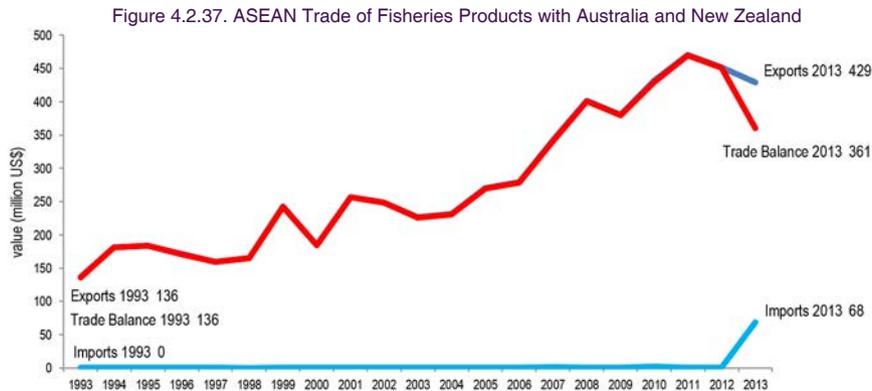
Source: ASEAN Trade Statistics Database, as of 24 July 2014



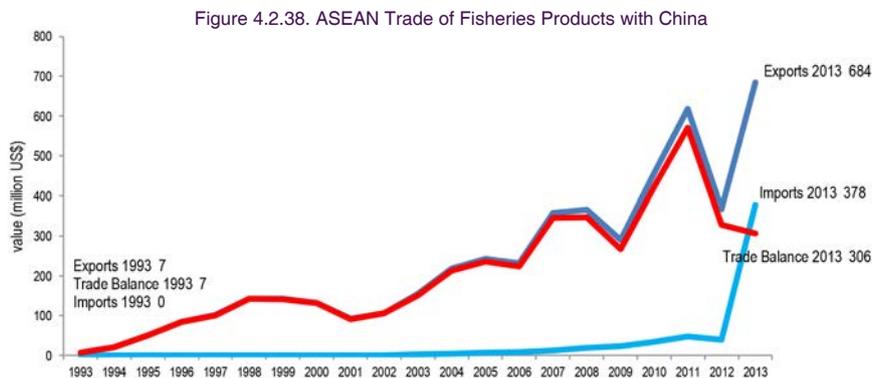
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trade balance and 1993-2013 trend of ASEAN trade in fisheries products

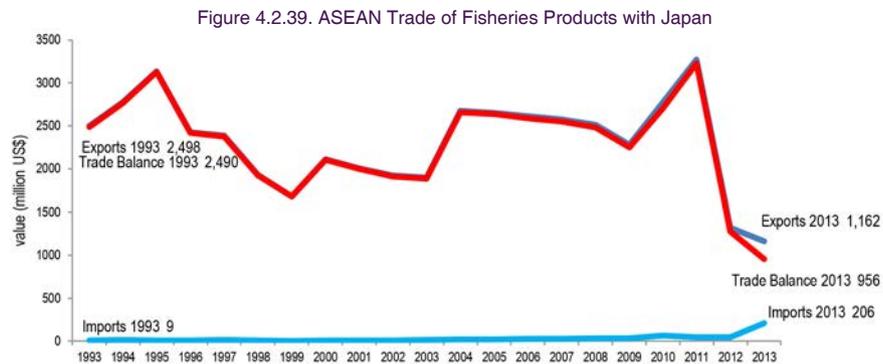
- ASEAN trade of fisheries products with all major trade partners except Japan registered surpluses. As imports were negligible; none of the surpluses, exceeded US\$2 billion in 2013.
- Trade surpluses of fisheries products showed an increasing trend with all major trade partners, except for Japan which showed that both export and trade balance have weakened over the past 20 years from 1993 to 2013.



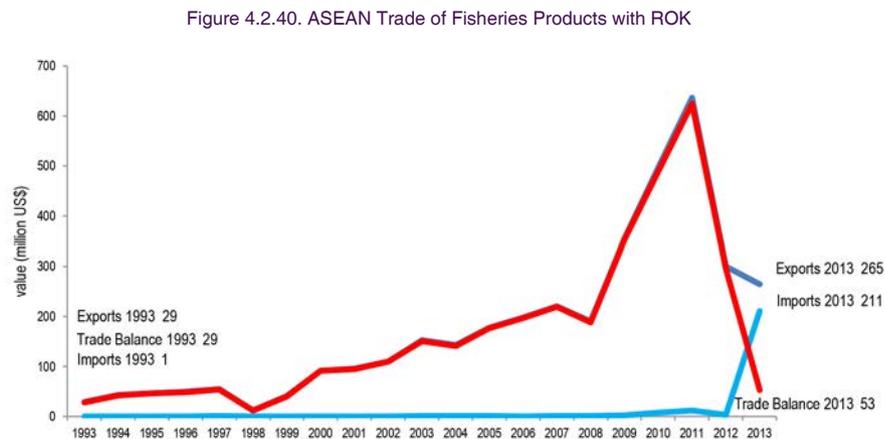
Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014

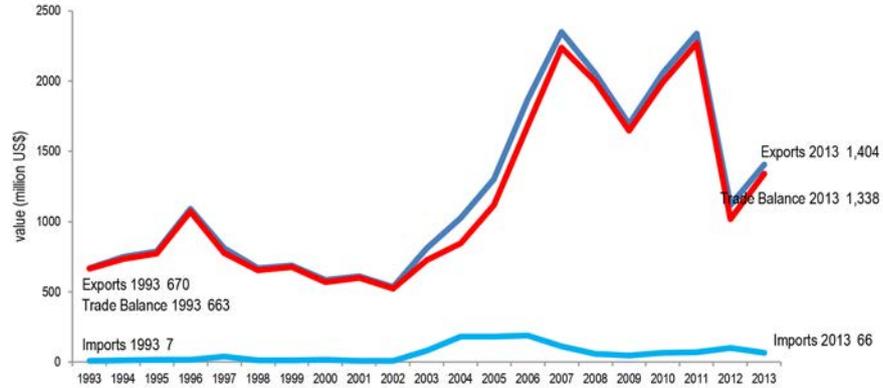


Source: ASEAN Trade Statistics Database, as of 24 July 2014



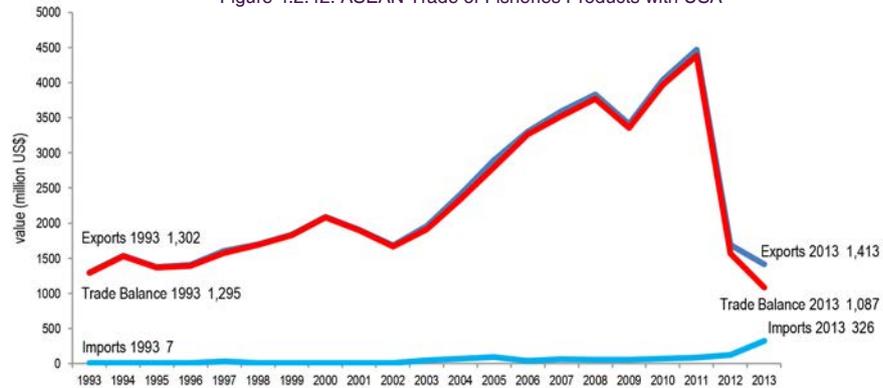
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.41. ASEAN Trade of Fisheries Products with EU-28



Source: ASEAN Trade Statistics Database, as of 24 July 2014

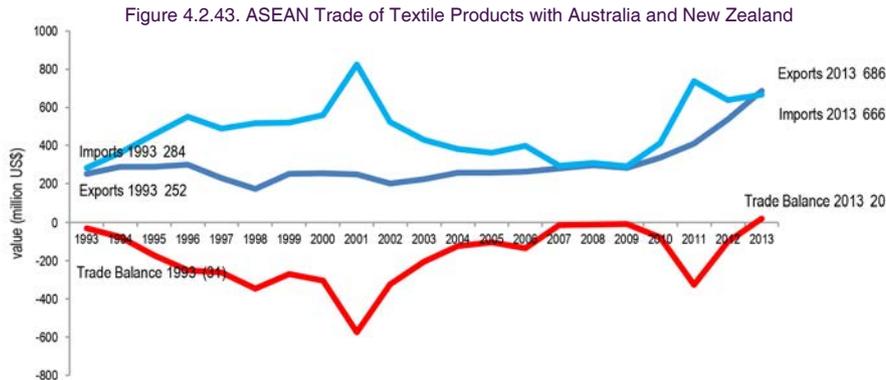
Figure 4.2.42. ASEAN Trade of Fisheries Products with USA



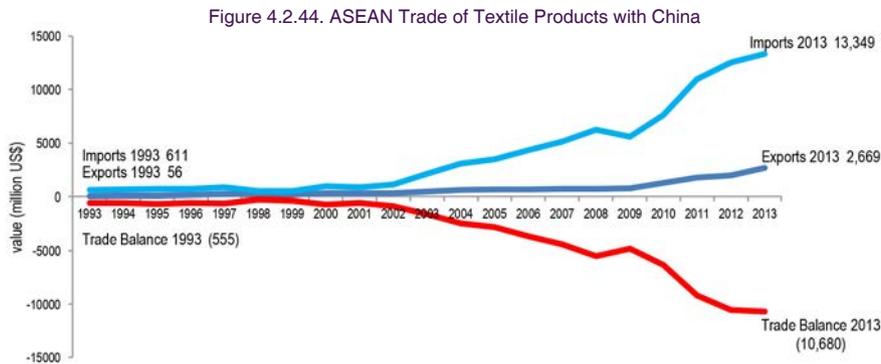
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trade balance and 1993-2013 trend of ASEAN trade in textile products

- Trade surpluses were recorded in ASEAN trade of textile products with most major trade partners, with a large surplus of around US\$17 billion in the case of USA in 2013. Small deficit however, was registered in the case of trade with ROK, and a relatively large deficit of US\$11 billion in the case of trade with China.
- The trade surpluses were increasing significantly in the case of trade of textile products with USA and EU-28, while trade deficit showed an increasing trend in the case of ASEAN trade with China and ROK, during 1993-2013.

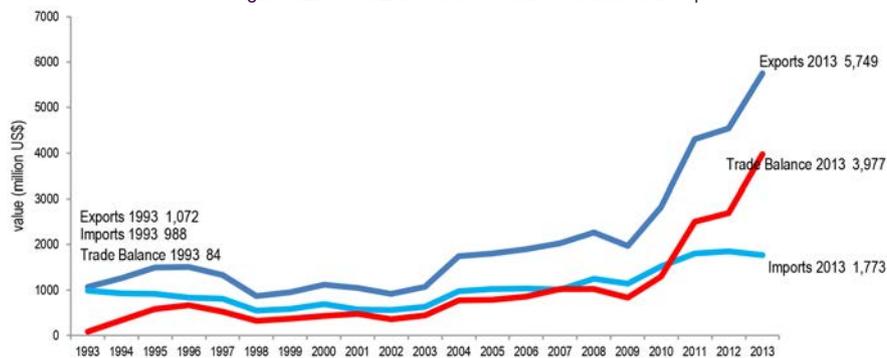


Source: ASEAN Trade Statistics Database, as of 24 July 2014



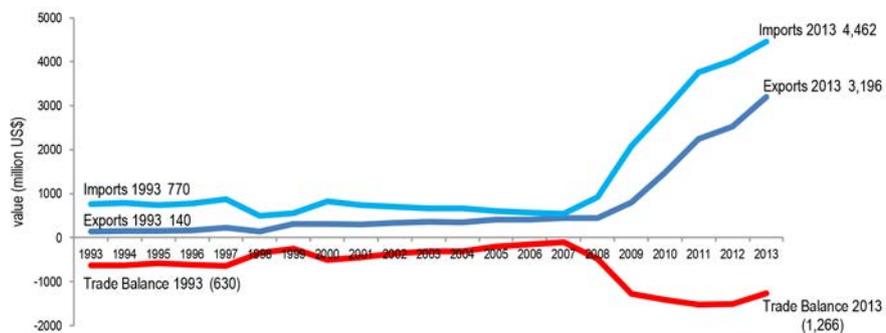
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.45. ASEAN Trade of Textile Products with Japan



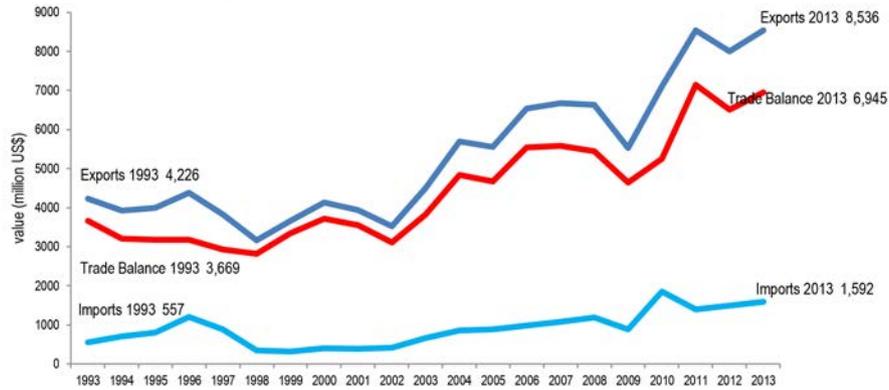
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.46. ASEAN Trade of Textile Products with ROK



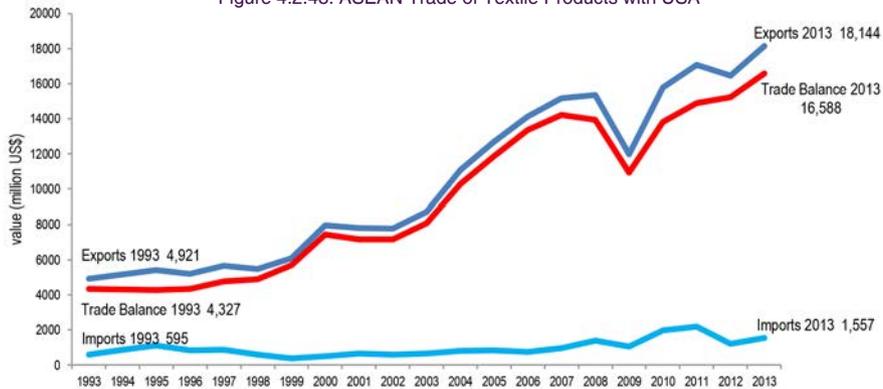
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.47. ASEAN Trade of Textile Products with EU-28



Source: ASEAN Trade Statistics Database, as of 24 July 2014

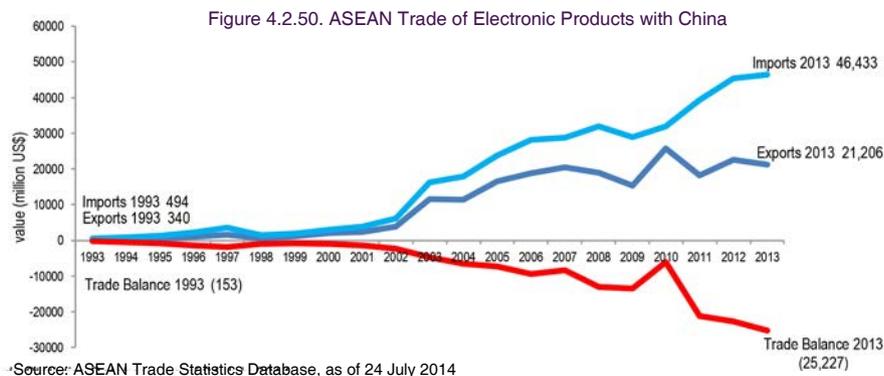
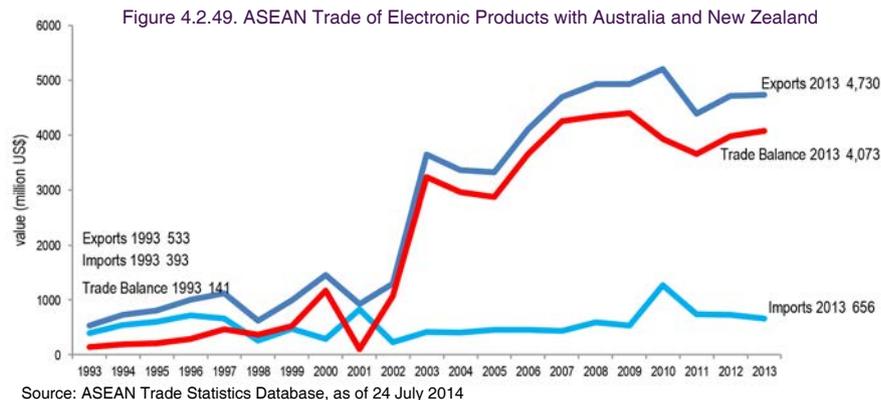
Figure 4.2.48. ASEAN Trade of Textile Products with USA

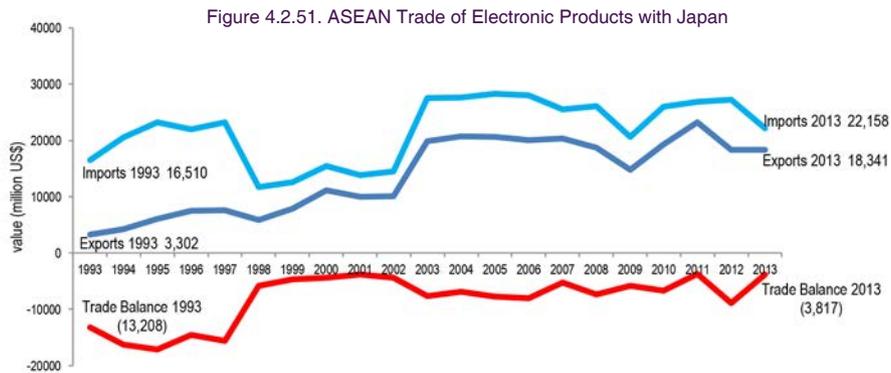


Source: ASEAN Trade Statistics Database, as of 24 July 2014

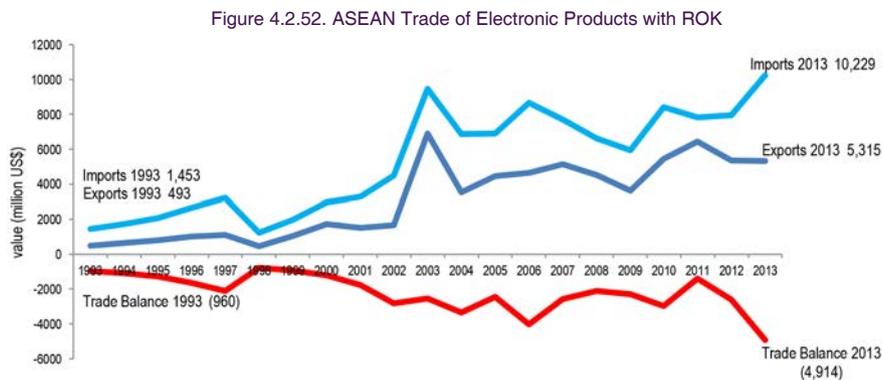
Trade balance and 1993-2013 trend of ASEAN trade in electronic products

- ASEAN experienced large trade deficit in its trade of electronic products with China (US\$25 billion), fairly large deficit with Japan (almost US\$4 billion), and small trade deficit with ROK (US\$5 billion), and recorded a surplus in its trade with Australia and New Zealand, as well as with EU-28 and USA.
- ASEAN noted a significantly declining trade surplus in the case of USA and EU-28 and slight decrease in the case of Australia and New Zealand, while trade deficit is increasing in the case of ASEAN trade with China and sluggish in the case of trade with ROK.

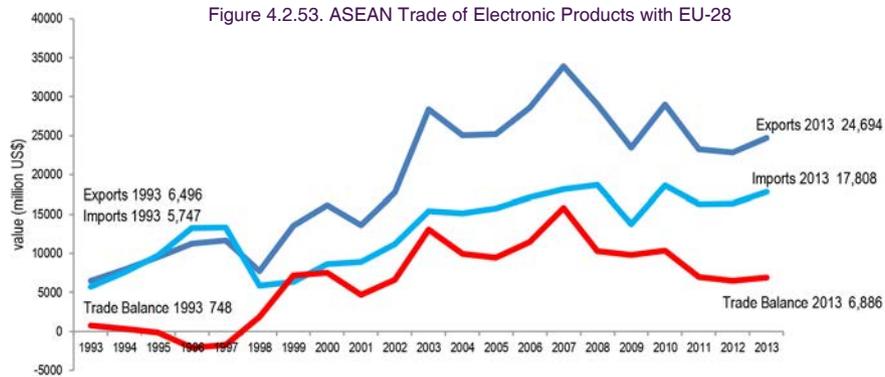




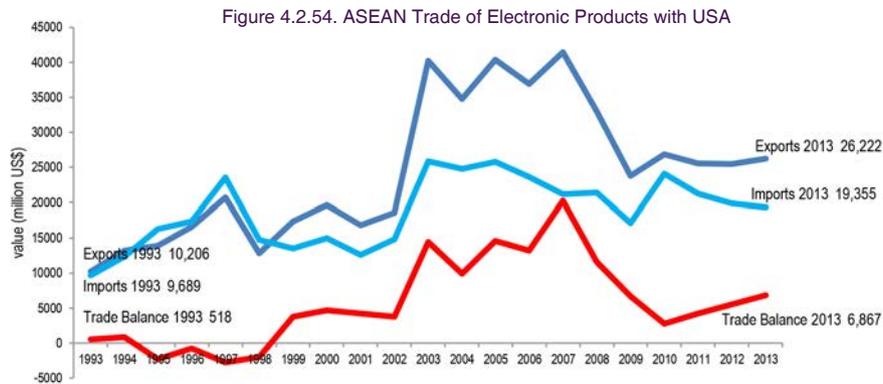
Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014



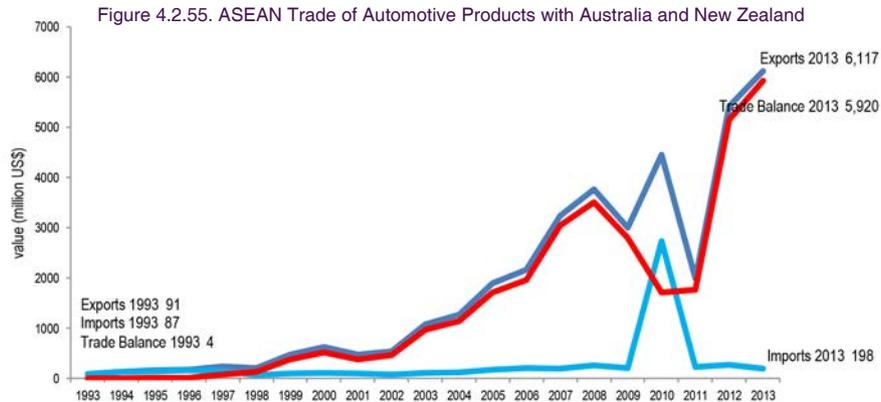
Source: ASEAN Trade Statistics Database, as of 24 July 2014



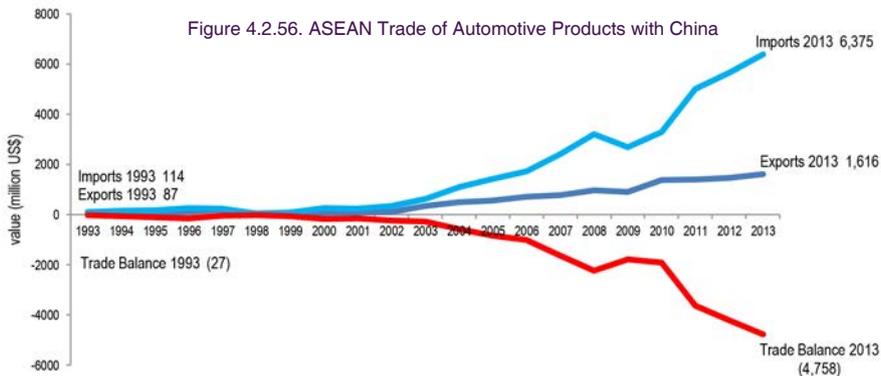
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Trade balance and 1993-2013 trend of ASEAN trade in automotive products

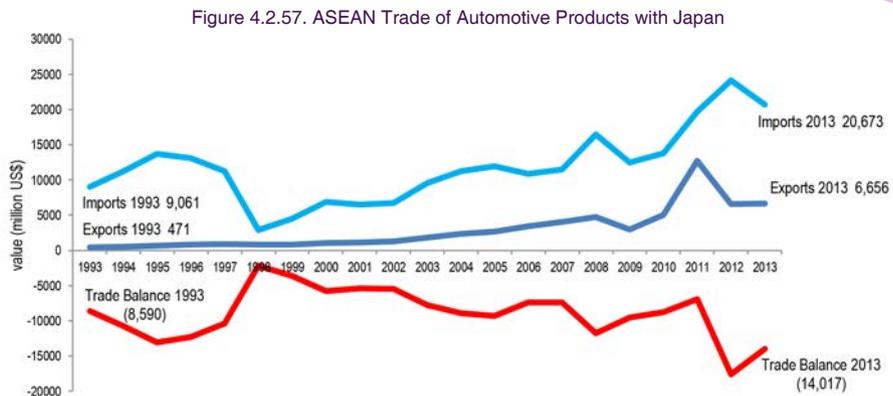
- In automotive products, a surplus of US\$5.9 billion was recorded in ASEAN trade with Australia and New Zealand and US\$1.7 billion in the case of trade with USA. Trade deficit was large in the case of trade of automotive products with Japan, and small in the case of China, ROK and EU-28.
- ASEAN recorded significant increases in deficit in its trade of automotive products with China, Japan, ROK and EU-28, but increasing surpluses in the case of Australia and New Zealand and USA.



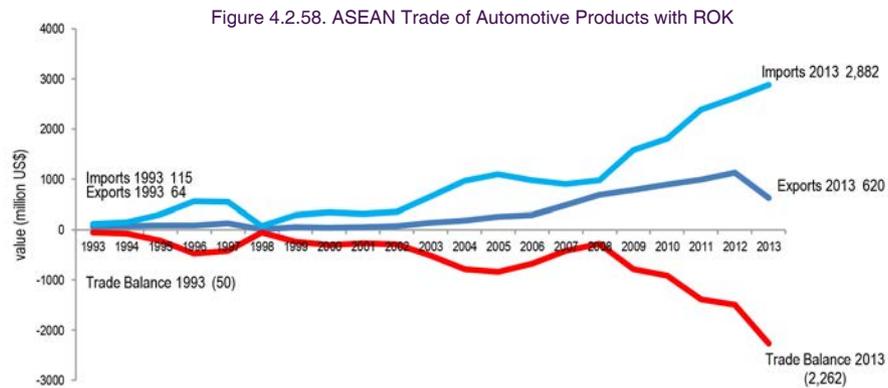
Source: ASEAN Trade Statistics Database, as of 24 July 2014



Source: ASEAN Trade Statistics Database, as of 24 July 2014

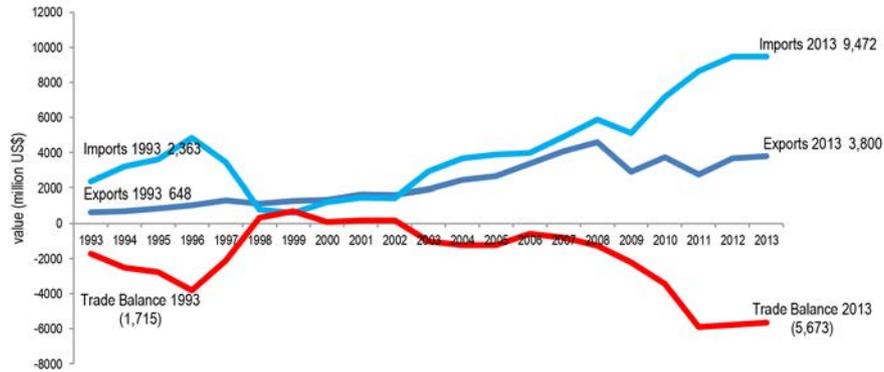


Source: ASEAN Trade Statistics Database, as of 24 July 2014



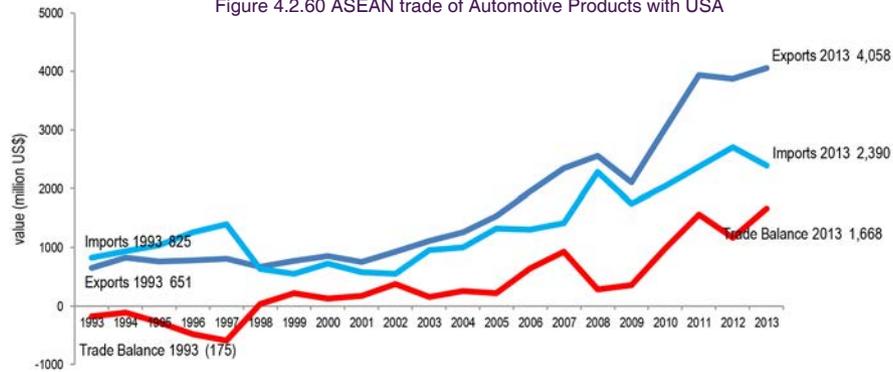
Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.59. ASEAN Trade of Automotive Products with EU-28



Source: ASEAN Trade Statistics Database, as of 24 July 2014

Figure 4.2.60 ASEAN trade of Automotive Products with USA



Source: ASEAN Trade Statistics Database, as of 24 July 2014



E. Investment

Various investment-related initiatives, including liberalisation, promotion and facilitation measures, were introduced in the region to transform ASEAN into an attractive and competitive investment destination. And to further support a free, open and integrated investment regime, the ASEAN Comprehensive Investment Agreement (ACIA) entered into force in March 2012. Through the ACIA, ASEAN strongly manifests its commitment to create a stable, predictable and conducive business environment that will provide for greater investor confidence and reduced barriers to investment.

The following sections provide an overview of investment trends in the region.

E.1. Trend and the Value of FDI

- Overall FDI inflows for the period 1995-2013 grew at an average rate of 8.5% per year. FDI inflows into the region peaked in 2000-2013, as intra- and extra-ASEAN FDI inflows registered an annual average growth of 25% and 13%, respectively. In contrast, in 1995-2000, the region posted a reverse trend in FDI inflows for both intra- (-23.5%) and extra-ASEAN FDI (-2.2%).
- In 2013, ASEAN FDI inflows reached US\$122 billion, with extra-ASEAN inflows contributing more than 80% to the total inflows (at US\$101 billion). The level of intra- and extra-ASEAN FDI in 2013 have increased nearly fivefold of the level in 1995.
- In terms of share to GDP, FDI inflows accounted for about 5% of the region's GDP in 2013, of which around 4% of GDP were from extra-ASEAN FDI inflows, and less than 1% from intra-ASEAN FDI inflows.
- On a country level, Singapore's FDI share to ASEAN GDP reached almost 20% in 2007-2013, while shares of some Member States ranged from 1.1% (Philippines) to 8% (Cambodia) over the same period. In general, FDI inflows shares to GDP in most Member States have increased in 2007-2013 compared to 2000-2006, except for Brunei Darussalam, Philippines and Thailand.

Figure 6.1. Average Annual Growth Rates of Intra- and Extra-ASEAN FDI Inflows, in percent

FDI Inflows	1995-2000	2000-2013	1995-2013	Ratio 2013/1995
Total	-5.0	14.2	8.5	4.3
Intra-ASEAN	-23.5	24.6	8.8	4.6
Extra-ASEAN	-2.2	12.9	8.5	4.3
Very high (>15%)				
High (10-14.9%)				
Fairly High (5-9.9%)				
Low (0-4.9%)				
Declining (<0%)				

Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Table 6.1. Trend and Value of Intra- and Extra-ASEAN FDI Inflows in ASEAN Table

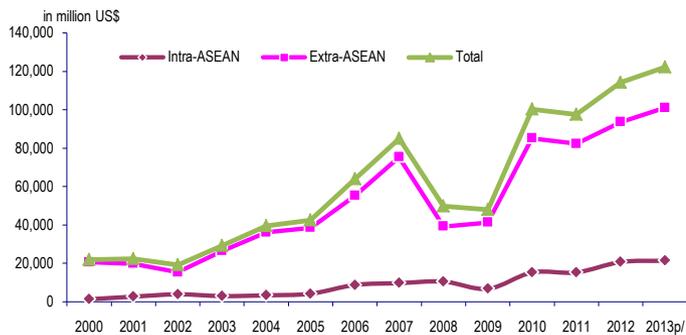
Categories	1995	2000	2009	2010	2011	2012	2013 p/
<i>In US\$ million</i>							
Total	28,164	21,809	47,927	100,360	97,538	114,284	122,377
Intra-ASEAN	4,651	1,219	6,672	15,200	15,228	20,658	21,322
Rest of the World	23,362	20,923	41,255	85,160	82,310	93,626	101,055
Unspecified	151	-334	-	-	-	-	-
<i>In percent share to total</i>							
Total	100	100	100	100	100	100	100
Intra-ASEAN	16.5	5.6	9.6	13.9	15.1	15.6	18.1
Rest of the World	82.9	95.9	90.4	86.1	84.9	84.4	81.9
Unspecified	0.5	-1.5	-	-	-	-	-

p/ Preliminary

Note: Starting 2008, ASEAN Member States' entries on 'Unspecified' item were included in 'Others'.

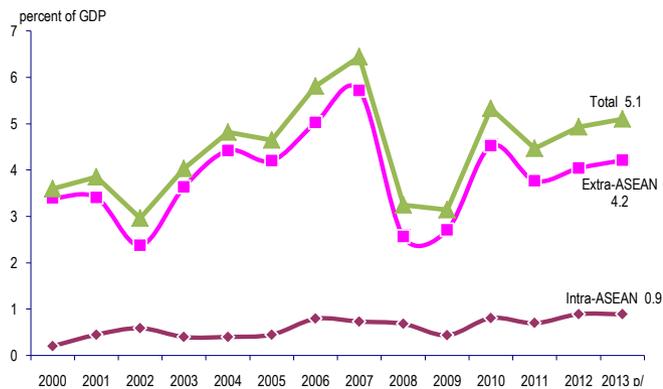
Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.2. Trend of Intra- and Extra-ASEAN FDI Inflows



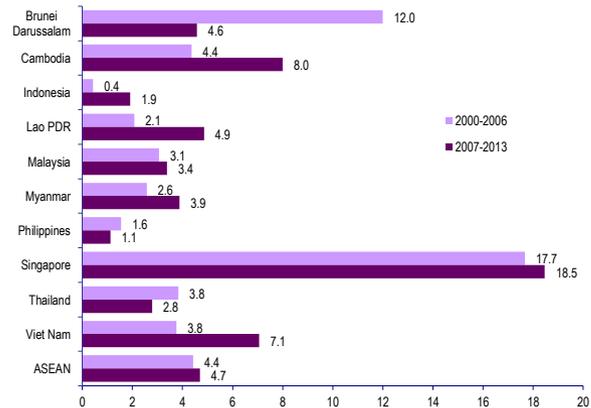
p/ Preliminary
 Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.3. FDI Inflows Share to GDP



p/ Preliminary
 Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.4. FDI Inflows Share to GDP, by ASEAN Member States

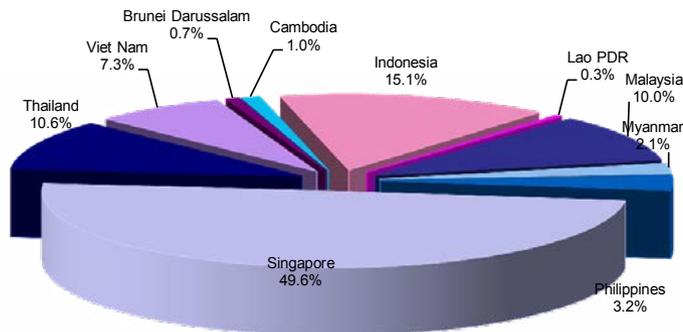


Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

E.2. FDI Inflows in ASEAN, by Destination

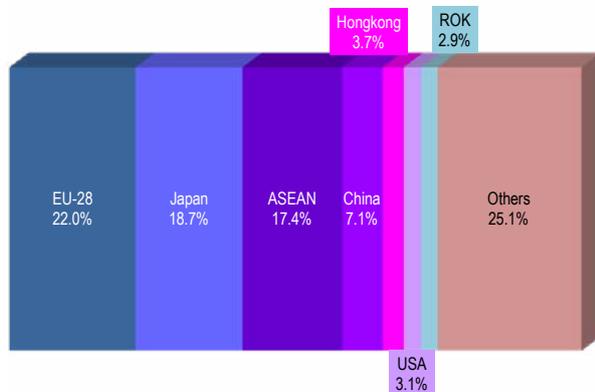
- Singapore received the biggest share of the region's FDI in 2013 at almost 50%, followed by Indonesia, Thailand, and Malaysia. Viet Nam was the highest recipient of FDI inflows among the CLMV countries, and was ranked after Malaysia.

Figure 6.5. Recipients of ASEAN FDI Inflows, 2013



Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.6. Sources of ASEAN FDI Inflows, 2013



Notes: No details breakdown for Lao PDR

Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

E.3. FDI Inflows in ASEAN, by Origin

- EU-28 was the top source of FDI inflows in ASEAN in 2013, with total share of 22%. Other major sources of FDI were Japan (with 19%), ASEAN Member States (intra-ASEAN, 17%), China (with 7%) and Hong Kong (with 3.7%).
- FDI inflows from these countries continued to show increasing trend while FDI inflows from USA have declined beginning in 2011.

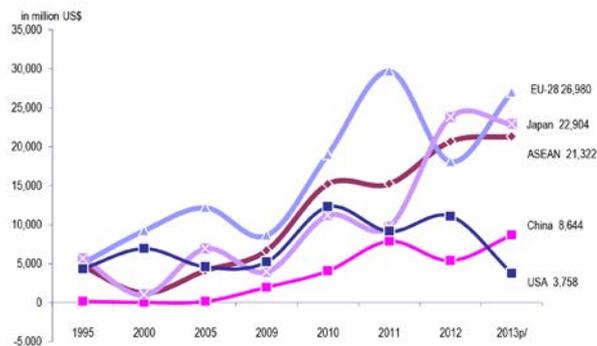
Table 6.2. FDI Inflows into ASEAN, by Source Country (US\$ million)

Source Country	1995	2000	2009	2010	2011	2012	2013p/
Intra-ASEAN	4,651	1,219	6,672	15,200	15,228	20,658	21,322
Australia	535	-325	994	4,001	1,530	1,831	2,002
Canada	609	-98	753	1,298	768	924	851
China	137	20	1,965	4,052	7,858	5,377	8,644
EU-28	5,049	9,210	8,598	19,018	29,693	18,085	26,980
Hong Kong	1,257	912	5,650	1,735	4,274	5,030	4,517
India	108	59	553	3,474	-2,230	2,233	1,317
Japan	5,633	968	3,919	11,171	9,709	23,777	22,904
New Zealand	35	24	-157	22	7	-108	246
Pakistan	3	1	15	30	12	-21	-1
Republic of Korea	611	-191	1,799	4,299	1,742	1,708	3,516
Russia	-	-	140	60	68	184	542
Taiwan, Province of China	913	866	-70	1,116	1,033	2,317	2,242
USA	4,335	6,913	5,215	12,285	9,130	11,080	3,758
Rest of the World	4,286	2,563	10,695	22,683	17,432	21,284	24,456
Unspecified	-	-334	-	-	-	-	-
Total	28,164	21,809	47,927	100,360	97,538	114,284	122,377

p/ Preliminary

Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.7. Trend of FDI Inflows in ASEAN, by Source Country, 1995-2013



p/ Preliminary

Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

E.4. Major Role of Services Sectors

a. Overall services sectors trend and share

- Economic activities under the services sector constituted the bulk of FDI inflows in ASEAN, with an average share of almost 70% in the last four years, followed by FDI in Manufacturing.
- In 2013, preliminary data showed that FDI inflows in the services sector continued to contribute a major part to the region's FDI inflows, representing more than 50% share of the total. Manufacturing, and mining and quarrying placed second and third with 33.3% and 6.7% shares, respectively.
- Between extra-ASEAN and intra-ASEAN FDI inflows in services sector, the former displayed much steeper trend than the latter.
- The impact of the global financial crisis on FDI inflows in the services sector as well as in other economic sectors was much more pronounced in extra-ASEAN FDI inflows than in intra-ASEAN FDI inflows.
- FDI inflows in the services sector have increased sharply over the years, except in 2008-2009 when the sector was hit the hardest during the global financial crisis. FDI inflows to financial intermediation and related services (including Insurance) shrank threefold during that period.

Figure 6.8. ASEAN FDI Inflows, by Economic Activity



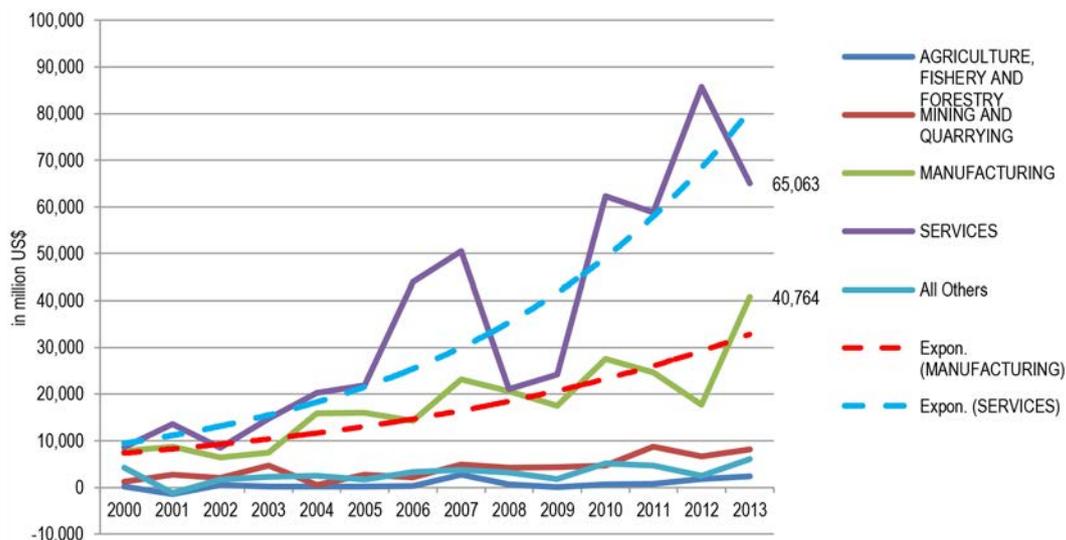
Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Table 6.3. Trend of ASEAN Total FDI Inflows, by Economic Activity

Sectors	Average Annual Rate of Growth			Percent Share to Total				
	2005/2008	2008/2013	2005/2013	2005	2010	2011	2012	2013
Agriculture, Fishery, Forestry	44.5	31.8	21.0	0.5	0.6	0.7	1.5	1.9
Mining and Quarrying	16.4	14.0	8.9	6.4	4.7	8.9	5.8	6.7
Manufacturing	8.8	14.6	7.5	37.7	27.5	25.3	15.5	33.3
Services	-1.2	25.2	8.7	51.5	62.1	60.3	75.1	53.2
All others	22.4	13.9	10.2	4.0	5.2	4.8	2.2	4.9
Total	5.4	19.8	8.5	100.0	100.0	100.0	100.0	100.0

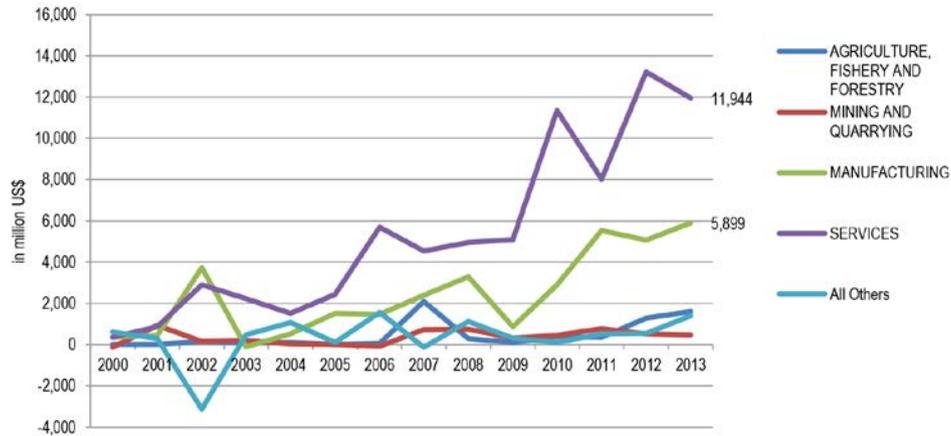
Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.9. Trend of Total FDI Inflows in ASEAN, by Economic Activity, 2000-2013



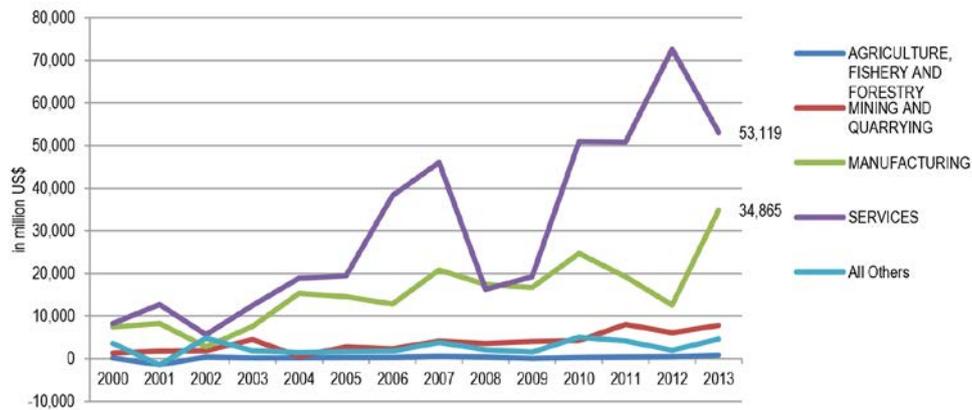
Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.10. Trend of Intra-ASEAN FDI Inflows in ASEAN, by Economic Activity, 2000-2013



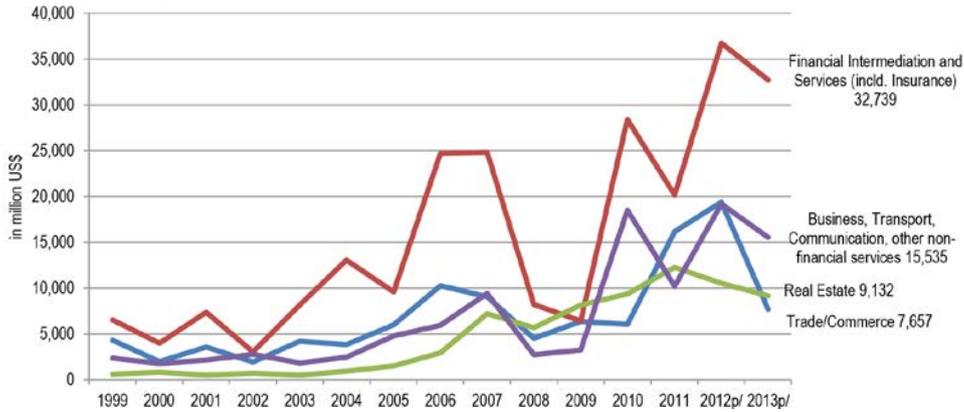
Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.11. Trend of Extra-ASEAN FDI Inflows in ASEAN, by Economic Activity, 2000-2013



Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

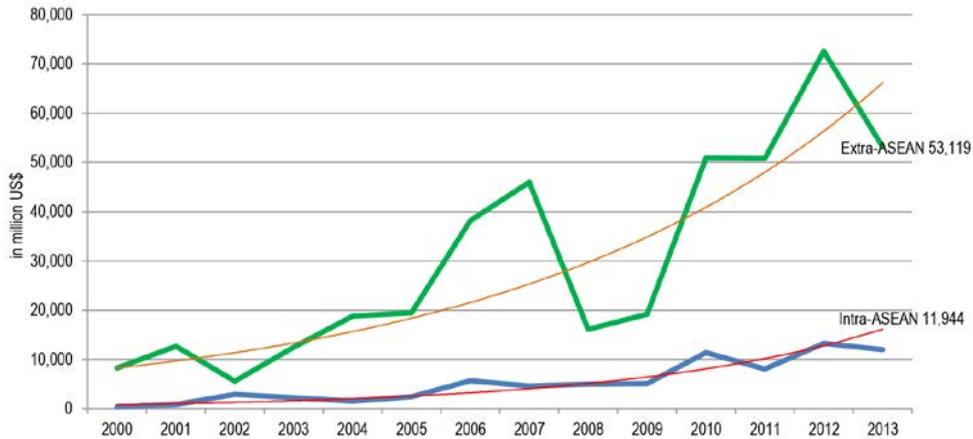
Figure 6.12. Trend of ASEAN FDI Inflows in Services Sector, by Type of Economic Activity



p/ Preliminary

Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

Figure 6.13. Trend of Intra-ASEAN and Extra-ASEAN FDI Inflows in Services Sector

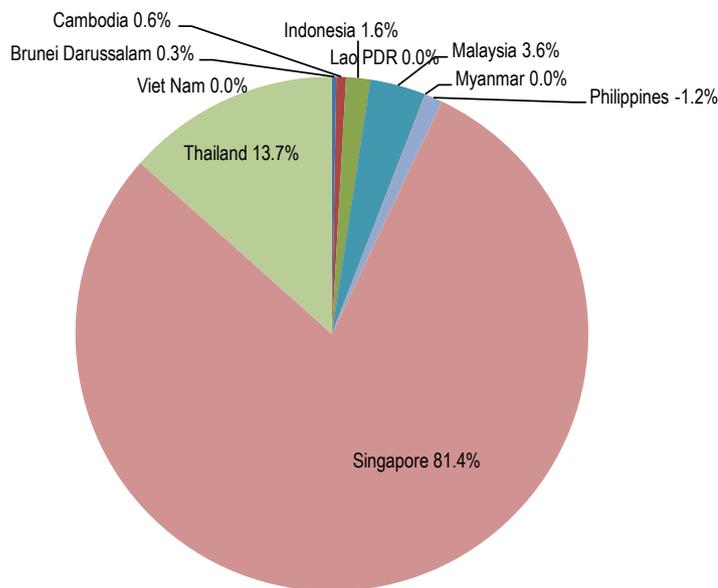


Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

b. Share of FDI inflows in financial services sector in ASEAN6 and CLMV

- More than 99% of FDI inflows in financial intermediation and related services (including insurance) went to ASEAN6 while less than 1% went to CLMV. Singapore accounted for most of the FDI inflows to this sector, with a share of around 81% in 2013.

Figure 6.14 ASEAN FDI Inflows in Financial Intermediation and Related Services, by Receiving Country, 2013



Source: ASEAN Investment Statistics Database based on Member States' submission, as of 30 July 2014

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