

THE PROSPECTS OF ASEAN ECONOMIC COMMUNITY (AEC) 2015 AS

THE NEW ECONOMIC POWER IN ASIA

Submitted as a part fulfillment of the requirement for the attainment of the degree of Sarjana Ilmu Politik (S.IP) or Bachelor of Political Sciences in International Program of International Relations (IPIREL) Department, Faculty of Social and Political Sciences, University of Muhammadiyah Yogyakarta.

UNDERGRADUATE THESIS



Written by:

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**INTERNATIONAL PROGRAM OF
INTERNATIONAL RELATIONS DEPARTMENT
FACULTY OF SOCIAL AND POLITICAL SCIENCES
UNIVERSITY OF MUHAMMADIYAH YOGYAKARTA
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ENDORSEMENT PAGE

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This undergraduate thesis has been examined and endorsed by the Board of Examiners from International Program of International Relations (IPIREL) Department, Faculty of Social and Political Sciences, University of Muhammadiyah Yogyakarta.

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STATEMENT OF ORIGINALITY

This is to certify that to the best of my knowledge, the content of this thesis is my own work. This thesis has not been submitted for any degree or other purposes.

I certify that the intellectual content of this undergraduate thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

Yogyakarta, December 26th, 2012.

Mazia Rizqi Izzatika

PAGE OF DEVOTE

I dedicated this undergraduate thesis to my parents: My mother (Cholifah) & my father (Sukriyanto AR) and also my grandfather (AR. Fakhruddin), for every step that I take in this university always embraces all of your shadows...



MOTTO

فَاسْتَبِقُوا الْخَيْرَاتِ

“...fastabiqulhairat...”

“...so strive as in a race in good deeds...”

“...berlomba-lombalahdalamkebaikan...”

[5:48]

...

“Always keep your dreams alive,
always believe they’re coming true,
life and let life~”

...



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It is highly expected that this undergraduate thesis would give benefit and advantages to the reader.

Mazia Rizqi Izzatika
December, 2012.

ABSTRACT

This undergraduate thesis discuss about the ASEAN Economic Community (AEC), it is the major integration effort attempted in the developing world: it will create a single market with the free movement capital around nearly 600 million people. Every members of the Association of Southeast Asian Nations (ASEAN) will share benefits by this integration. There will be kind trade and investment diversion effects but the world as a whole will benefit from the AEC. In addition ASEAN has promoted multilateral dialogue within Asia as well as globally, and funded some cooperation regimes.

Nevertheless, the AEC poses political changes: the study finds that the AEC will found significant problematic adjustment in the prospect of AEC 2015, at least two kinds of problems: first, the enormous different in levels of economic development in ASEAN and second, developing intra-ASEAN trade. In the process, AEC seeks to accelerate the region's integration into global market, this can be shows the ambition of ASEAN to be new economic power in Asia. However, ASEAN is also ensuring that the AEC not only regional connection but also region's integration into global economy.

Keywords: ASEAN, AEC 2015, and Economic Power

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 - b) ASEAN Economic Community Blueprint
 - c) Strategic Schedule for ASEAN Economic Community
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LIST OF ABBREVIATIONS

ACMF	: ASEAN Capital Market Forum
AEC	: ASEAN Economic Community
AEI	: ASEAN Economic Initiative
AEM	: ASEAN Economic Ministers
AFM	: ASEAN Finance Ministers
AHN	: ASEAN Highway Network
AFAS	: ASEAN Framework Agreement on Services
AFTA	: ASEAN Free Trade Agreement
AIA	: ASEAN Investment Area
AMBDC	: ASEAN Mekong Basin Development Cooperation
ASEAN	: Association of South East Asia Nations
ASTP	: ASEAN Strategic Transport Plan
ASW	: ASEAN Single Window
CU	: Common Union
CM	: Common Market
CEPT	: Common Effective Preferential Tariff
CLMV	: Cambodia, Laos, Myanmar, and Vietnam
EEC	: European Economic Community
EMEs	: Emerging Market Economies
EU	: European Union
FTA	: Free Trade Agreement
FDI	: Foreign Direct Investment
GATS	: General Agreement on Tariffs and Services

GATT	: General Agreement Trade and Tariffs
IIT	: Intra-Industry Trade
LAFTA	: Latin America Free Trade Area
MRA	: Mutual Recognition Agreement
NEO	: New Economic Organization
NAFTA	: North America Free Trade Area
NTBs	: Non-Tariff Barriers
NTMs	: Non-Tariff Measures
NSW	: National Single Window
ROO	: Rules of Origins
TRIPs	: Tariff on Rights and Intellectual Properties
WTO	: World Trade Organization