#### 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**



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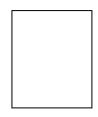
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2012

#### **ENDORSEMENT PAGE**

## THE PROSPECTS OF ASEAN ECONOMIC COMMUNITY (AEC) 2015 AS THE NEW ECONOMIC POWER IN ASIA



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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.

On

Day/date: Saturday, December 8<sup>th</sup>, 2012.

Time: 11.30 am. Place: Room HI. C.

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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 26<sup>th</sup>, 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**

### فاستتبقوا الْخَيْرَاتِ

"...fastabiqulkhairat..."

"...so strive as in a race in good deeds..."

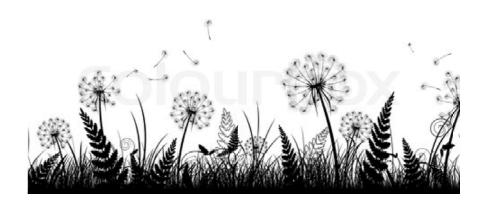
"...berlomba-lombalahdalamkebaikan..."

[5:48]

. . .

"Always keep your dreams alive, alwaysbelieve 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.

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#### **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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- 1. ASEAN Economic Community Blueprint:
  - a) Declaration on the ASEAN Economic Community Blueprint
  - b) ASEAN Economic Community Blueprint
  - c) Strategic Schedule for ASEAN Economic Community
  - d) Annex 1

#### 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 Prefential 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