



ASEAN Brief 2012

Progress Towards the ASEAN Community



one vision
one identity
one community



ASEAN Brief 2012

Progress Towards the ASEAN Community

The ASEAN Secretariat
Jakarta

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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Foreword

Since the 2003 Declaration on the ASEAN Community, ASEAN has made steady progress in realizing the ASEAN Community by 2015. We are pleased to note that the work we did over the past years have resulted in positive outcomes in terms of targets met and initiatives implemented. Although there is definitely much work still to be done in achieving increased economic growth and narrowed development gaps, ASEAN continues to direct its efforts toward improving the welfare and well-being of its citizens in unison with the ultimate goal of increasing the region's share in the global arena.

ASEAN Brief 2012 contains 18 indicators to assess the extent that ASEAN Member States have converged or diverged over the years, focusing on the pillars of the ASEAN Economic Community and the ASEAN Socio-Cultural Community. ASEAN Brief 2012 is a preview of the full report on the ASEAN Community Progress Monitoring System (ACPMS) which contains more sets of indicators and in-depth analysis on a per country basis.

ASEAN Brief 2012 and the ACPMS Report are made possible with the assistance of ASEAN-Australia Development Cooperation Program II (AADCP II) project. We wish to thank the AADCP II for their generous support as well as the concerned national statistical agencies and line ministries for their valuable inputs.

As this is the second issue after the ASEAN Brief 2007, we would appreciate receiving your comments and feedback to improve this publication and to enable ASEANstats to produce better quality ASEAN statistical products and services.



Le Luong Minh
Secretary-General of ASEAN

Jakarta, March 2013



EXECUTIVE SUMMARY

The ASEAN Community rests on three pillars: the ASEAN Economic Community (AEC), the ASEAN Socio-Cultural Community (ASCC), and the ASEAN Political and Security Community (APSC). This ASEAN Brief is a report on progress towards the envisaged outcomes within the first two pillars: the AEC and the ASCC.

The AEC pillar aims to establish ASEAN as a more dynamic and competitive region, while at the same time addressing the development divide between ASEAN member states (AMS) and accelerating the integration of Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV). Consistent with the goals set out in the 2007 ASEAN Economic Community Blueprint, the AEC pillar specifically envisages four key interrelated and mutually reinforcing regional characteristics: (a) a single market and production base; (b) a highly competitive economic region; (c) equitable economic development across countries; and (d) full integration into the global economy. These outcomes will be achieved through implementation of integration initiatives – also outlined in the AEC Blueprint – in areas such as human resource development and capacity building; trade liberalisation and facilitation; consultation on macroeconomic and financial policies; and enhancing private sector involvement.

The 2009 ASEAN Socio-Cultural Community Blueprint specifies the envisaged outcomes of the ASCC pillar and how these outcomes will be achieved. The ASCC pillar aims to establish ASEAN as a community which is people-centred, inclusive, harmonious and socially responsible. A community characterised by enduring solidarity and commitment amongst member nations and their citizens, who are in turn the beneficiaries of this process through enhanced levels of human

welfare and well-being. This pillar focuses on six key areas: (a) promoting human development; (b) enhancing social welfare and protection; (c) promoting social justice and rights; (d) ensuring environmental sustainability; (e) building the ASEAN Identity; and (f) narrowing the development gap. The outcomes in these areas will be achieved through co-operative activities which are people-oriented, environmentally sustainable, and built on strong foundations of mutual understanding, trust and a shared sense of responsibility.

This report presents 18 selected indicators of ASEAN's progress towards achieving the broad goals of the AEC and ASCC pillars summarised above.¹ These indicators illustrate some of the positive outcomes of economic integration initiatives, for instance: reductions in border restrictions (such as tariffs) and beyond-border barriers (such as distorting domestic regulations and inadequate infrastructures); increased intra-ASEAN flows of goods and services, investment and tourism; and any tendency towards convergence in prices and income per capita. They also illustrate some of the positive outcomes relating to socio-cultural characteristics such as poverty incidence, life expectancy and health in general, education opportunities and attainment, and overall level of human development.

Overall there are encouraging signs that increased economic integration from 2000 to 2011² has been followed by desirable economic and socio-cultural outcomes.

However, there is also evidence that barriers to economic integration remain a problem, as reflected by the lack of any clear positive outcomes in terms of the costs of trade and the flows of skilled labour and capital.

¹ The indicators are selected for both their relevance and timeliness in terms of data availability. A separate report to be released at a later date contains the full set of indicators in the ASEAN Community Progress Monitoring System (ACPMMS).

² The actual period covered by each indicator in this report varies slightly depending on data availability.

Trade liberalisation, and a single market and production base

- *Intra-ASEAN trade in goods.* Trade within ASEAN has been growing stronger. The value of goods traded within ASEAN and between ASEAN and the rest of the world increased significantly (by 129 and 121 per cent respectively) between 2004 and 2011. During that period intra-ASEAN trade grew from around US\$261 billion in 2004 to US\$598 billion in 2011. Growth in intra-ASEAN exports of around 132 per cent was strongest, from 2009 particularly, as the impact (within Asia) of the global financial crisis (GFC) started to recede.
- *Price convergence.* Overall price variance across the region in terms of a broad basket of products (based on PPP conversion factors) decreased. This trend is consistent with ASEAN markets becoming more integrated.

Liberalisation of services and investment

- *Intra-ASEAN Foreign Direct Investment (FDI).* Intra-ASEAN inward FDI rose more than 30-fold during the decade, most notably from 2009 onwards, from around US\$0.9 billion in 2000 to around US\$26.3 billion in 2011. This increase is substantially larger than that of inward FDI from the rest of the world (which increased five-fold).
- *Trade in services.* Trade in services has also increased rapidly, especially in priority integration sectors such as Communications, computer & information services; Travel services; and Business services, royalties & licenses. Trade in Transport services recovered rapidly following a significant decline in 2008 due to the GFC. ASEAN's services trade deficit with the rest of the world has declined by 37 per cent from around US\$22 billion in 2005 to less than US\$9 billion in 2011.
- *Tourism.* Intra-ASEAN tourism is becoming more dominant in the region. Growth in intra-ASEAN tourist arrivals of 137 per cent between 2000 and 2011 (to 37.7 million arrivals) exceeded growth in arrivals from the rest of the world of 87 per cent during the same period.

Competitiveness and facilitation of capital flows

- *Costs of trade.* The average per-container cost of importing and exporting in ASEAN appears to have declined in real terms during the period 2005 to 2011. Despite this apparent positive outcome, the cross-country variation in per-container costs remained large, ranging from less than US\$450 per container to more than US\$2000.
- *Effective interest rates.* Effective interest rates for lending and deposits continued to show significant variation across member countries, but there is evidence of a significant movement towards convergence.
- *Domestic credit provision.* While domestic sources of capital appear to have played an increased role from around the mid-2000s particularly, the intensity of domestic credit provision (that is, as a proportion of GDP) in CLMV countries was still low when compared with ASEAN6 countries.

Macro-economy, productivity and wages

- *GDP per capita.* Real GDP per capita in ASEAN (in purchasing power parity or PPP\$ terms) grew rapidly by 94 per cent from PPP\$2882 in 2000 to PPP\$5581 in 2011. This reflected rapid growth in ASEAN6 (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) and CLMV countries of 87 and 145 per cent respectively during the period. The faster growth in the CLMV countries reduced the ASEAN6: CLMV ratio in GDP per capita (in constant PPP\$) from 3.4 in 2000 to 2.6 in 2011.
- *Productivity.* Intra-ASEAN variance in value-added per worker does not appear to have declined as much as that of GDP per capita, irrespective of the sector considered (overall, agriculture, manufacturing and services). However, there is some weak evidence for movement towards labour productivity convergence particularly in services and for the overall economy.
- *Wages.* The regional variation in average monthly wages of skilled labour (professional and technical/associate occupation categories) decreased only slightly during the period under review.

Social and human development

- *Poverty.* As a result of this strong economic growth the extent of absolute poverty (proportion of population living on less than \$1.25 a day in purchasing power parity terms) in ASEAN declined significantly between 2000 and 2010, from around 45 to 16 per cent in CLMV countries and from around 29 to 15 per cent in ASEAN6.
- *Human development.* The ASEAN countries also showed progress in terms of the United Nation's broader Human Development Index (HDI), which rose from 0.635 in 2005 to 0.657 in 2010. The CLMV countries are gradually catching up to the more developed members of ASEAN on this measure, closing the gap from 25 down to 23 per cent.
- *Life expectancy.* There has been a rise in life expectancy throughout the region (from 68.5 years in 2002 to 71.1 years in 2010), with a slightly faster improvement in CLMV countries than in ASEAN6. This has led to a reduction in the relative ASEAN6–CLMV life expectancy gap from 2.1 years in 2002 to 1.8 years in 2010.

Development in education and health

- *Average years of schooling.* The average number of school years completed by the adult population increased from 7.5 years for ASEAN6 and 4.6 years for CLMV in 2005, to eight years and five years respectively in 2010. However, these figures mean that the gap between ASEAN6 and CLMV marginally increased.
- *Expected completion of schooling.* The expected number of years of schooling for the youth population of ASEAN6 countries improved only slightly, given that it was already at the maximum of 13 years at the start of the period. There was little progress in the CLMV countries in this regard, with the number of expected years of schooling relatively unchanged at around 9.7 years.
- *Youth literacy.* The literacy rate of the youth population across ASEAN6 countries inched closer to 100 per cent, with the CLMV countries catching up rapidly as their literacy rate improved from around 81 per cent in 2000 to 92 per cent in 2010.
- *Infant mortality.* Infant mortality rates across the region decreased, with a bigger fall in CLMV countries (from around 66 deaths per 1000 live births in 2000 to 40 in 2010) than in ASEAN6 (from 18 to 14 per 1000 live births) contributing to a narrowing in the infant mortality rate gap over the period.

ASEAN Community Progress Summary

The following table summarises the progress of the ASEAN Community as measured by 18 outcome indicators discussed above. For further information about the indicators, including definitions and data sources, please refer to the Appendix section of this report.

Progress towards the ASEAN Community - Selected indicators

Outcome indicators	Benchmark ³		Latest data		Status ⁴
	Year	Value	Year	Value	
Trade liberalisation, and a Single market and Production Base					
Value of total trade (import+export) in goods					
Intra-ASEAN total (US\$ billion)	2004	260.9	2011	598.2	Increasing
Intra-ASEAN share (%)	2004	24.3	2011	25.0	Increasing
Average price level (PPP conversion factors) ⁵					
GDP basket of commodities					
ASEAN6:CLMV ratio	2000	1.57	2011	1.56	Converging
ASEAN coefficient of variation ⁶	2000	0.327	2011	0.251	Converging
Consumer basket of commodities					
ASEAN6:CLMV ratio	2000	1.57	2011	1.42	Converging
ASEAN coefficient of variation	2000	0.387	2011	0.279	Converging
Liberalisation of Services and Investment					
Value of inward FDI					
Intra-ASEAN total (US\$ billion)	2000	0.85	2011	26.27	Increasing
Intra-ASEAN share (%)	2000	3.8	2011	18.7	Increasing
Value of trade in services (US\$ billion)					
ASEAN total exports	2005	120.7	2011	260.9	Increasing
ASEAN total imports	2005	143.1	2011	269.1	Increasing
Tourist arrivals					
Intra-ASEAN total (millions)	2000	15.9	2011	37.7	Increasing
Intra-ASEAN share (%)	2000	40.7	2011	46.5	Increasing
Competitiveness and Facilitation of capital flows					
Average cost to trade per container (US\$) ⁷					
To import	2005	695	2011	742	Increasing
To export	2005	795	2011	815	Increasing
Effective interest rates ⁸					
Deposit (% per year)					
ASEAN6 - CLMV (% points)	2000	8.3	2010	8.5	Converging
ASEAN Coefficient of variation	2000	23.0	2010	3.4	Converging
Lending (% per year)	2000				
ASEAN6 - CLMV (% points)	2000	1.1	2010	3.1	Converging
ASEAN Coefficient of variation	2000	2.3	2010	0.9	Converging
Domestic credit provision as % of GDP					
From the banking sector					
ASEAN average	2000	55.6	2011	68.0	Increasing
ASEAN6:CLMV ratio	2000	9.7	2011	3.3	Converging
To the private sector					
ASEAN average	2000	50.7	2011	64.0	Increasing
ASEAN6:CLMV ratio	2000	8.8	2011	2.6	Converging

Macro-economy, Productivity and Wages					
GDP per capita (PPP\$)					
ASEAN average	2000	2882	2011	5581	Increasing
ASEAN6:CLMV ratio	2000	3.4	2011	2.6	Converging
Cross-country coefficient of variation of labour productivity ⁹					
Agriculture	2007	1.55	2009	1.61	Diverging
Manufacturing	2007	2.60	2009	2.60	No change
Services	2007	1.14	2009	1.12	Converging
Total	2007	1.63	2009	1.60	Converging
Cross-country coefficient of variation of wages of skilled labour ¹⁰					
Professional workers	2004	0.872	2009	0.765	Converging
Technical/associate professional workers	2004	0.826	2009	0.719	Converging
Social Development and Human Development					
Population with <PPP\$1.25 per day (%)					
ASEAN average	2000	32.8	2010	15.3	Decreasing
CLMV - ASEAN6 gap (% points)	2000	15.5	2010	1.4	Converging
Human Development Index					
ASEAN average	2005	0.635	2010	0.657	Increasing
ASEAN6 - CLMV gap (%)	2005	25.0	2010	22.9	Converging
Life expectancy (years)					
ASEAN average	2002	68.5	2010	71.1	Increasing
ASEAN6 - CLMV gap (years)	2002	2.1	2010	1.8	Converging
Development in Education and Health					
Adult completion of schooling (years)					
ASEAN average	2005	6.4	2011	6.8	Increasing
ASEAN6 - CLMV gap (years)	2005	2.9	2011	3.0	Diverging
Expected children completion of schooling (years)					
ASEAN average	2005	11.4	2011	11.7	Increasing
ASEAN6 - CLMV gap (years)	2005	3.2	2011	3.4	Diverging
Youth literacy rate (%)					
ASEAN average	2000	92.0	2010	96.9	Increasing
ASEAN6 - CLMV gap (% points)	2000	17.0	2010	7.0	Converging
Infant mortality rate per 1000 live births					
ASEAN average	2000	36.8	2010	24.2	Decreasing
CLMV:ASEAN6 ratio	2000	3.7	2010	2.9	Converging

³ The benchmark period is either the year 2000 or the subsequent year with the earliest available data.

⁴ The "Status" reported here (Increasing, Decreasing, Converging, Diverging, No change) is based simply on the observed sign of the change in the indicator. There are no specific criteria or threshold values to define the status. Because of these reasons, the "Status" should be interpreted as indications of where the trend is heading.

⁵ The average price level as measured by the Purchasing Power Parity (PPP) conversion factor reflects the average price in the specified commodity basket relative to that of the United States.

⁶ ASEAN coefficient of variation is defined as the standard deviation across ASEAN Member States normalised by the average.

⁷ This cost has not been adjusted for inflation, hence, the shown increases may indeed be classified as decreases in real time.

⁸ Effective interest rate is nominal interest rate less inflation rate less currency depreciation rate. ASEAN6 - CLMV rate differentials are absolute value of the differences in simple average expressed in percentage points.

⁹ This indicator is constructed based on data from only four ASEAN Member States; hence, it should be interpreted with caution.

¹⁰ This indicator is constructed based on data from only four to five ASEAN Member States; hence, it should be interpreted with caution.

PROGRESS TOWARDS AN ASEAN COMMUNITY

The ASEAN Economic Community has as its goal the improved material welfare and well-being of member countries through the establishment of ASEAN as a single market and production base. Realisation of this goal requires the elimination of barriers to the flow of goods, services, investment and skilled labour within the region, be they at-the-border or beyond-the-border barriers. At the same time, the region aims at being globally competitive.

The ASEAN Socio-Cultural Community pursues the goal of better social outcomes through the delivery of programs which raise education standards, prevent and treat disease, and regulate anthropogenic damage to the natural environment.

The following charts show, at a glance, the progress made towards achieving these objectives between 2000 and 2011. This progress includes outcomes resulting from reductions in border restrictions (such as tariffs) and other regulations, as reflected in increased flows of traded goods and services, investment and tourism and any tendency towards convergence in prices and income per capita. Furthermore, the charts show that these economic outcomes can be achieved without sacrificing socio-cultural goals, as shown by progress in terms of poverty incidence, overall human development, life expectancy and health in general, and educational opportunity and attainment. Finally, the charts indicate areas where progress has been inadequate and thus require additional attention to ensure that the envisaged goals of the ASEAN Community can be realised.

The overall results provide positive evidence of economic integration, such as faster growth in intra-ASEAN trade, investment and tourism relative to that with the rest of the world. This increased intra-ASEAN economic activity also appears to be producing desirable economic and socio-cultural outcomes. For example, the gaps between the six more-developed ASEAN members (ASEAN6) and the four newer members (CLMV) have narrowed quite significantly in some key areas, including income per capita, life expectancy, absolute poverty and the literacy rate.

While there are clear signs of market convergence – such as the reduction in the variation of PPP conversion factors, consistent with price convergence – barriers to integration remain, as evidenced by the high variation in the cost of importing and exporting across ASEAN member states. In addition, evidence of convergence in terms of the flow of skilled labour is relatively non-existent; there are no signs of a reduction in the variation of wages or labour productivity across countries. Similarly in relation to capital flows, the variation in effective real interest rates on deposits and lending particularly remains high, and tends to fluctuate wildly over time.

Turning to socio-cultural indicators, the ASEAN6–CLMV gaps in terms of educational opportunities for children and the health of young children and adults (for example, as measured by life expectancy and infant mortality rates) have not decreased as rapidly as the gaps in other areas.



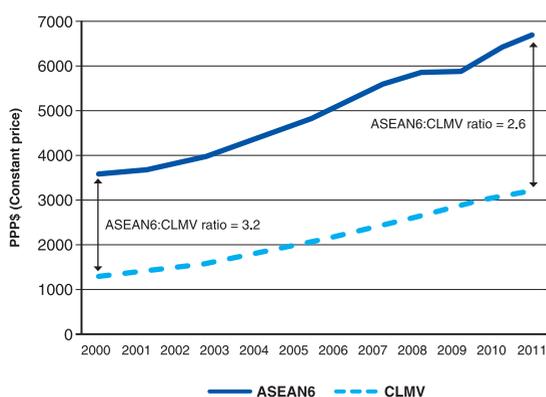
Enhancing Economic Growth and Narrowing Development Gaps

Growth and convergence in per capita incomes
Reduction in poverty
Improved overall human development

As the ASEAN Community develops, economies are integrating and economic gains are being realised throughout the region ...

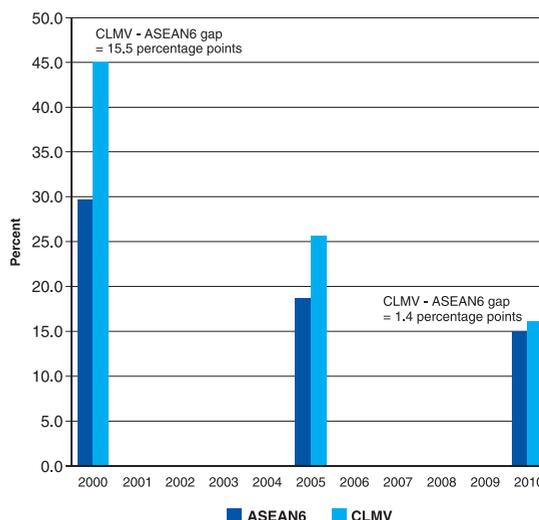
... these are being matched by significant reductions in poverty, particularly among the CLMV countries,...

Figure 1: GDP per capita, 2000 - 2011 (PPP\$)



Note: ASEAN6 and CLMV figures are population-weighted averages
Source: Processed from IMF World Economic Outlook April 2012

Figure 2: Proportion of population living on less than PPP\$1.25 a day, 2000 - 2010



Note: ASEAN6 and CLMV figures are population-weighted averages
Source: Processed from ASEC MDG Indicators.

ASEAN economic prosperity improved during the past decade, as reflected in rapid growth in real aggregate and per capita GDP across the region.

Aggregate GDP (in PPP \$ terms) in ASEAN grew at an average 7.7 per cent compound annual growth rate between 2000 and 2011, with growth in ASEAN6 and CLMV countries of 7.7 and 9.9 per cent respectively. In per capita terms (see Figure 1)¹¹ GDP in the CLMV countries grew by 145 per cent over the 11-year period, compared with 87 per cent in ASEAN6. As a result the ASEAN6:CLMV ratio of GDP per capita dropped from 3.4 to 2.6. However, the average income gap between the two country groupings in absolute terms was still large, ranging from around PPP\$2543 in 2000 to around PPP\$4156 in 2011.

¹¹ The data to create the all of the figures in this report are tabulated in Appendix 3.

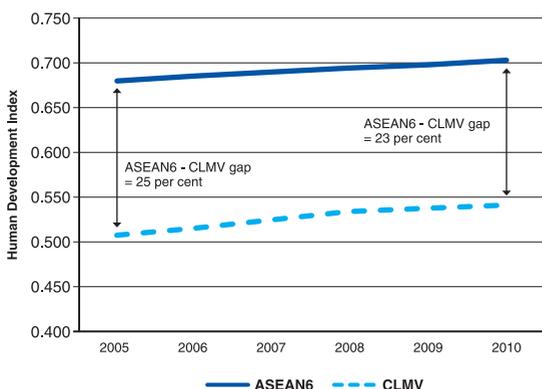
Because of the possibility of an unequal distribution of the economic gains highlighted earlier, a measure based on average income is often inadequate for measuring progress in terms of people's economic well-being. Thus it is also important to look at income distribution-based measures of well-being, such as the proportion of the population living in poverty.

Figure 2 shows the percentage of the population in ASEAN6 and CLMV countries living on less than PPP\$1.25 a day. The extent of absolute poverty across both groups has declined substantially from more than 30 per cent of the population in 2000 to around 15 per cent in 2010. Specifically, it decreased from 45 to 16 per cent in the CLMV countries and from 29 to 15 per cent in ASEAN6.

This shows people's well-being has improved in ASEAN as the gap between ASEAN6 and CLMV countries narrows.

... as well as improvements in broader measures of human development.

Figure 3: Human Development Index, 2005 - 2010



Note: ASEAN6 and CLMV figures are population-weighted averages
 Source: Processed from UNDP data and NSO population estimates

A fuller picture of ASEAN's achievements, in terms of improvements in the population's well-being during the past decade, can be seen by looking at the Human Development Index (HDI) developed by the United Nations Development Program (UNDP). In addition to economic growth and income the HDI encompasses aspects of development relating to health and education, and is thus intended to capture broad shifts in people's well-being, across different countries, over time.

Figure 3 presents changes in the HDI for both ASEAN6 and CLMV countries from 2005 to 2010. While CLMV countries are shown to be catching up with ASEAN6 on this broader measure of human development, as evidenced by the small narrowing in the HDI gap (decreasing from a 25 per cent gap to 23 per cent), this catch-up would seem to be occurring at a slower rate than the convergence shown in Figures 1 and 2. Given the complexity of the integration process, such unequal progress in the different areas (economic, health and education) is to be expected.

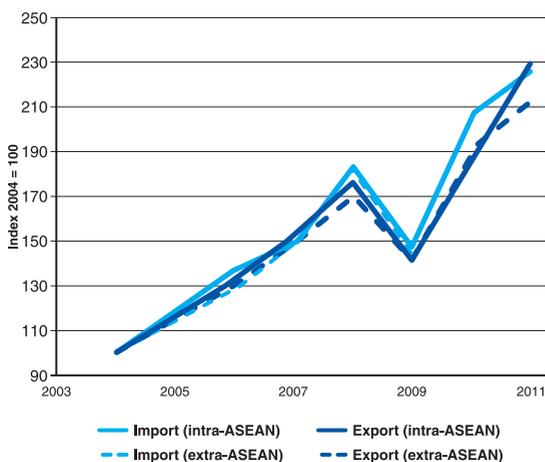


Moving Towards a Single Market and Production Base

Increased flow of goods, services, investment and people
Convergence in overall price levels

Reductions in trade barriers are an important pre-requisite for economic integration. As barriers are reduced, trade in the region intensifies ...

Figure 4: Index of current value of ASEAN trade in goods, 2004=100, 2004 - 2011



Source: Processed from ASEC Trade Database

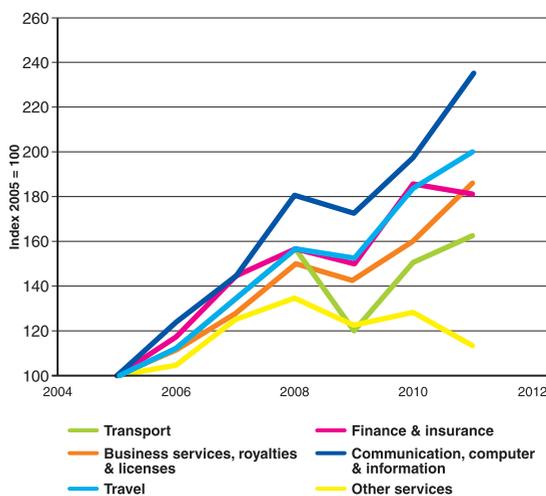
The improvements in economic well-being of the population of the ASEAN Community discussed above are consistent with the envisaged goals of the AEC pillar. While it is difficult to establish definite cause and effect relationships for such broad outcomes, we can at least assess whether or not the economic data are consistent with the region moving towards a single market and production base (through the elimination of barriers to the flow of goods, services, investment and people within the region), while ensuring it becomes more competitive globally.

Figure 4 shows that intra-ASEAN exports and imports of goods grew by around 132 and 126 per cent respectively between 2004 and 2011 from US\$141 billion and US\$120 billion in 2004 to US\$328 billion and US\$271 billion in 2011. The value of ASEAN's exports of goods to and imports

from the rest of the world during the same period rose by around 114 and 129 per cent respectively (from US\$428 billion and US\$383 billion in 2004 to US\$915 billion and US\$876 billion in 2011). Though the diverse means of reporting and collection of export and import statistics may contribute to the difference in growth rates, the more than doubling in intra-ASEAN trade is consistent with ongoing reductions in the barriers to trade within the region.

... for both goods and services.

Figure 5: Index of current value of ASEAN service imports, by sector, 2005=100, 2005 - 2011



Source: Processed from ASEC Trade and SITS Database

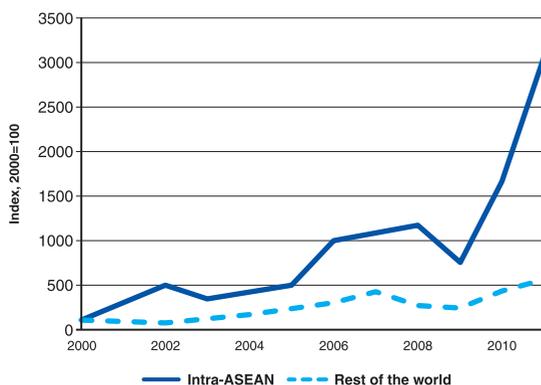
Given that intra-ASEAN trade data for services are unavailable, Figure 5 shows the total value of service imports into ASEAN in order to gauge the extent of reductions in barriers to trade as the ASEAN region integrates. The figure shows that there has been a significant increase in the value of total service imports by ASEAN countries. While this trend is consistent with declining barriers to trade, it may also reflect increasing globalisation and rapid development in information and communications

technologies more generally (since in this instance the data include imports from outside ASEAN).

The rapid growth in ASEAN's service imports has been more than matched by growth in exports (not shown in Figure 5), such that ASEAN's service trade deficit has declined by 37 per cent since 2005 to less than US\$9 billion in 2011. The fastest growing sub-sectors within ASEAN's services imports include: Communication, computer & information services; Travel services; Finance & insurance services; and Business services, royalties & licenses. All of these areas are a focus of AEC integration initiatives. Trade in Transport services also recovered rapidly following a significant decline in 2009 due to the GFC.

ASEAN economic integration was also reflected in increased flows of investment within the region...

Figure 6: Index of current value of ASEAN inward flows of FDI, 2000=100, 2000 - 2011



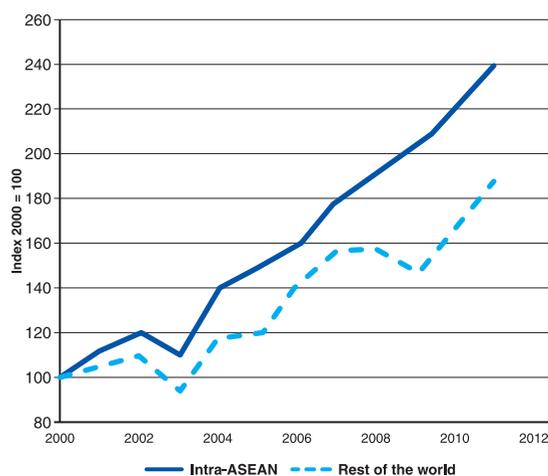
Source: Processed from ASEC FDI Database as of 8 October 2012

A number of initiatives aimed at encouraging a freer flow of investment within ASEAN have been implemented under the AEC pillar, and the foreign direct investment (FDI) data presented in Figure 6 confirm progress in this regard. The current value of intra-ASEAN FDI flows (expressed as an index in Figure 6) has risen 30-fold since the year 2000, most notably from 2009 onwards, from US\$853 million in 2000 to US\$26.3 billion in 2011. This development contrasts with much more modest five-fold growth in FDI into ASEAN from the rest of the world during

the same period. It should be noted though that the rest of the world still accounts for more than 80 per cent of inward FDI into the region in 2011. The increase in intra-ASEAN investment, realised through reduced barriers to investment flows within the region, is consistent with progress toward a single market and production base in ASEAN.

... as well as increased movements of people.

Figure 7: ASEAN tourist arrival index, 2000=100 2000 - 2011

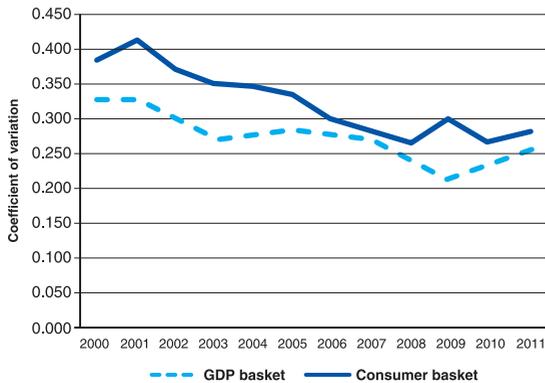


Source: Processed ASEC Tourism Arrivals Database

In addition to progress towards the free flow of goods, services and investment as discussed earlier, economic data for ASEAN are also consistent with the idea that the region has become more inter-connected in terms of 'people flows'. Specifically, intra-ASEAN tourist arrivals, an indicator of people-to-people connectivity within the region, have grown at a much faster rate than tourist arrivals from the rest of the world. Figure 7 shows that intra-ASEAN tourist arrivals grew by 137 per cent between 2000 (15.9 million arrivals) and 2011 (37.7 million arrivals), while arrivals from the rest of the world grew by just 87 per cent during the same period (23.2 million arrivals in 2000 and 43.5 million arrivals in 2011).

Which should in turn lead to the formation of a single ASEAN market as indicated by overall price-level convergence.

Figure 8: Coefficient of variation of PPP conversion factors, 2000 - 2011



Note: Prices are PPP conversion factors to market exchange ratio
Source: Processed from World Bank ICP data

Data showing shifts in the extent of regional price variation over time represent additional important evidence that ASEAN is becoming more integrated. In Figure 8 the regional coefficient of variation (essentially the level of variation with respect to the mean) of PPP conversion factors for two ‘baskets’ of products are shown: one basket consisting of everything covered in the measurement of GDP, and another containing only products which form part of consumer expenditures. The PPP conversion factor of a country captures the difference between the average price-level of a basket of products in that country relative to an ‘identical’ basket in the benchmark country (in our case the United States). As indicated by the downward slope of the two lines in Figure 8, price variation within ASEAN decreased over the period. In other words, prices in ASEAN countries have become more similar over time, with the prices of consumer products exhibiting a faster rate of convergence (hence the steeper slope).



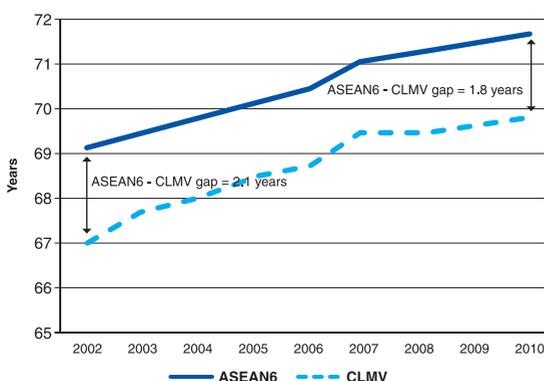
Gaining the Benefits of Development and Integration

Increased life expectancy and adult education attainment
Reduced infant mortality and improved youth education opportunities

As markets integrate, standards of living in ASEAN continue to improve ...

terms of life expectancy (narrowing the gap from 2.1 years of life expectancy to 1.8 years). These gains will at least partly reflect improvements in health brought about by overall economic progress in the region.

Figure 9: Life expectancy, years 2002 - 2010¹²



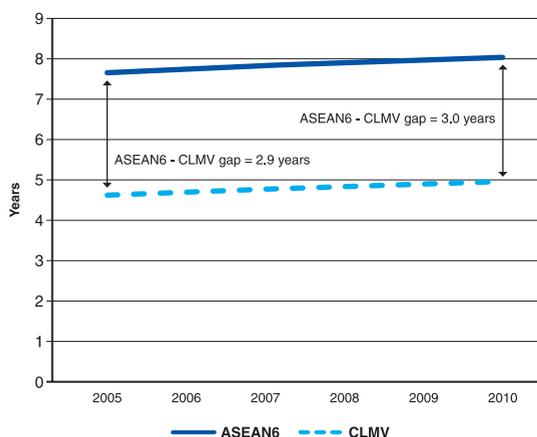
Note: ASEAN6 and CLMV figures are population-weighted averages
 Source: Processed from NSO estimates (World Bank's data are used for Thailand and Lao)

To be consistent with the aims of the ASCC pillar, the progress towards economic integration as discussed earlier needs to be accompanied by progress in terms of socio-cultural characteristics such as health, education and social justice. The UN's Human Development Index suggests that this is happening across ASEAN. Nevertheless it is important to look at specific socio-cultural indicators in order to develop a fuller understanding of the gains already made and what still needs to be achieved.

Figure 9 shows the average adult life expectancy in ASEAN during the period 2002 to 2010. Life expectancy in the ASEAN6 and CLMV countries increased during the period to just under 71.6 and 69.8 years respectively in 2010 (up from around 69.1 and 67.0 years in 2000). There has been a clear improvement in both regions, with the CLMV countries gradually catching up to ASEAN6 in

... as do prospects in terms of social and economic development.

Figure 10: Adult completion of schooling years, 2005 - 2010



Note: ASEAN6 and CLMV figures are simple averages
 Source: Processed from Barro-Lee education data (Worlds Bank's World Databank)

While an improvement in population health standards is very important progress in itself, such progress will be magnified if accompanied by improvements in the ability of the population to contribute to sustainable economic development in the region through human capital.

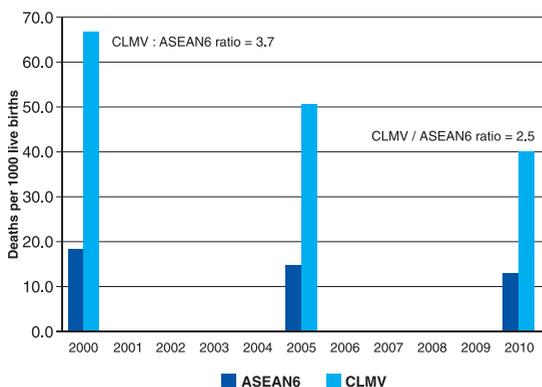
Figure 10 shows the average number of school years completed by the adult populations of ASEAN6 and the CLMV countries during the period 2005 to 2010. It shows that the improvements in health have not been mimicked by similar improvements in the 'human resource' capability of both regions as could be expected from an increase in the opportunity to gain additional education measured by the years of schooling. In 2010 the adult population of ASEAN6

¹² No data had been provided by the National Statistical Offices of Thailand and Lao PDR at the time this report was drafted.

had completed 8.0 years of schooling on average, around 3.0 years more than adults in the CLMV countries as a group. The chart shows that the gap between CLMV and ASEAN6 countries in terms of average years of education has increased since 2005, but only marginally (from 2.9 to 3.0 years). This suggests that both groups of countries are developing their formal education sectors at around the same rate (with ASEAN6 having a head start in this regard).

The younger generation holds the key to ASEAN's future and benefits directly from integration initiatives in terms of improved standards of living ...

Figure 11: Infant mortality rate per 1000 live births, 2000 - 2010



Note: ASEAN6 and CLMV figures are simple averages
Source: Processed from NSO and ASEC's MDG indicators

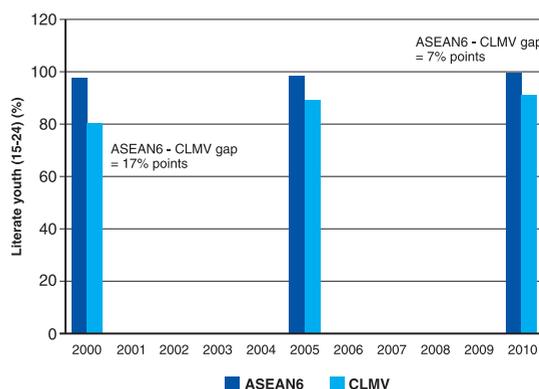
The young population of ASEAN will be critical to ensuring the sustainability of improvements in human well-being across the region in the future, thus having a healthy population of young people will be vital.

ASEAN economic integration and its related outcomes have also been accompanied by a rapid increase in the survival of new-born babies. The average infant mortality rate in ASEAN dropped from 37 deaths per 1000 live births in 2000 to 24 in 2010. Figure 11 shows that the drop in infant mortality in CLMV countries (from 66 deaths per 1000 live births in 2000 to 40 in 2010) has been

more rapid than the decline in ASEAN6 (from 18 deaths per 1000 live births in 2000 to 14 in 2010). Continued development in health care provision and other areas related to infant mortality (such as family planning, maternal health, pre- and post-natal care) will contribute to a further decrease in the development gap between the two country groups in the coming years.

... and better basic education ...

Figure 12: Youth literacy rate, 2000 - 2010



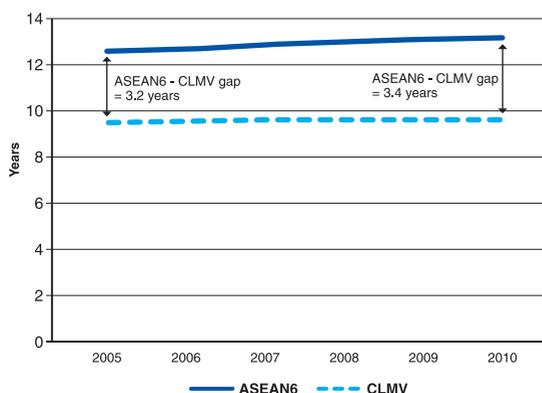
Note: ASEAN6 and CLMV figures are simple averages
Source: Processed from NSO's data

In addition to better healthcare, at the very least the youth population of ASEAN needs access to basic education skills such as reading, writing, and simple arithmetic in order to contribute more fully to the betterment of society, not to mention reaching higher levels of personal fulfillment and well-being.

Figure 12 shows the trend in the literacy rate of ASEAN's youth population over the past decade, reflecting progress in basic education provision in the region. While the literacy rate in the ASEAN6 group has been close to the maximum of 100 per cent for more than a decade, the literacy rate in CLMV countries has increased by 11 percentage points from just under 81 per cent in 2000 to 92 per cent in 2010 – a remarkable achievement resulting in a rapidly narrowing ASEAN6–CLMV gap from 17 down to 7 percentage points.

... providing solid foundations for their future prospects and the region's progress.

Figure 13: Children's expected completion of schooling, years, 2005 - 2010



Note: ASEAN6 and CLMV figures are simple averages
 Source: Processed from Barro-Lee education data (Worlds Bank's World Databank)

For the ASEAN region to continue to advance and become even more competitive in future, children will need better access to education than their parents.

While Figure 10 showed actual years of schooling achieved by the adult population of ASEAN from 2005 to 2010, Figure 13 shows the number of years of schooling children in ASEAN could hope to complete during those years. Comparing Figures 10 and 13 we see that during this period children in ASEAN6 and CLMV countries could expect to have four to five additional years of schooling than had been achieved by the adult population during those years. For example, in 2010 adults in CLMV countries had on average completed five years of schooling, whereas Figure 13 shows that children who started school in that year could expect to complete ten years of schooling. The comparable figures for ASEAN6 countries were eight and 13 years of schooling; thus Figures 10 and 13 taken together provide evidence of a remarkable increase in access to education between generations. However, Figure 13 also shows that children's access to education in CLMV countries would need to improve further in order to close the gap relative to ASEAN6 (the gap increased slightly from 3.2 to 3.4 years between 2005 and 2010).

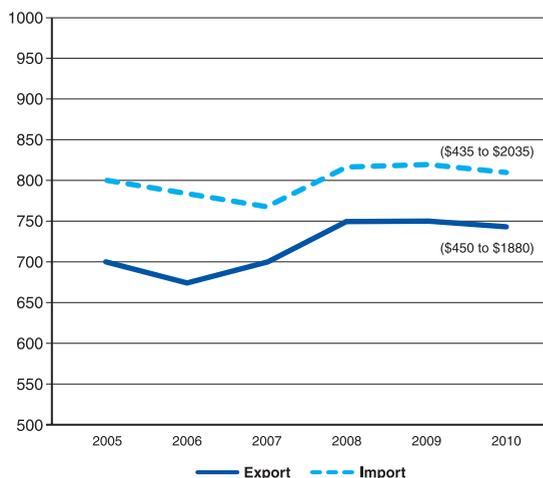


Remaining Barriers and Untapped Potential

Inefficiencies in international trade procedures
Non-convergence in the (skilled) labour market
Sub-optimal use and provision of domestic capital

Barriers to integration still exist...

Figure 14: Cost of importing and exporting in ASEAN, per container, US\$, 2005 - 2010



Note: Costs shown are simple averages (Min and Max in parentheses).
 No data for Myanmar
 Source: Processed from World Bank database

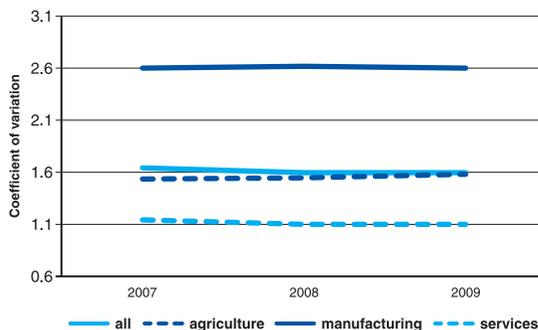
Promoting regional integration is a complex process and in the case of ASEAN is further complicated by the fact that member countries are highly heterogeneous in terms of geography, culture, ethnicity and economic development. Hence, it would be naïve to assume that the measures being implemented in accordance with the AEC Blueprint have eliminated all barriers to trade.

Figure 14 shows the average per-container cost across ASEAN of importing and exporting from 2005 to 2010 (based on World Bank data). The average cost of importing fluctuated around US\$800 per container and showed minimal increase over time, suggesting a decrease in costs in real terms. A similar pattern exists in relation to export costs, which fluctuated around an average of US\$719 per container and showed an overall nominal increase of 6.8 per cent, also suggesting a decline in real terms over the period.

However, the cross-country variation in the cost of importing and exporting over the period remained large. For example, in 2010 import costs ranged from a low around US\$435 to a high of US\$2035 per container, and exports costs varied from a low around US\$450 to US\$1880. To some extent these cross-country variations may reflect natural geographical differences (for example, with land-locked countries likely to experience higher trading costs). More importantly, the extent of ongoing variation in per-container trade costs in 2010 indicates that there has been little improvement in efficiency in the high-cost countries since 2005. It is more than likely that significant barriers to trade remain, in particular a lack of adequate physical infrastructure in many parts of the region. Hence further scope exists for optimising current initiatives to bring about reductions in the cost variation across countries.

... slowing down the integration process ...

Figure 15: Coefficient of variation of labour productivity, 2007 - 2009



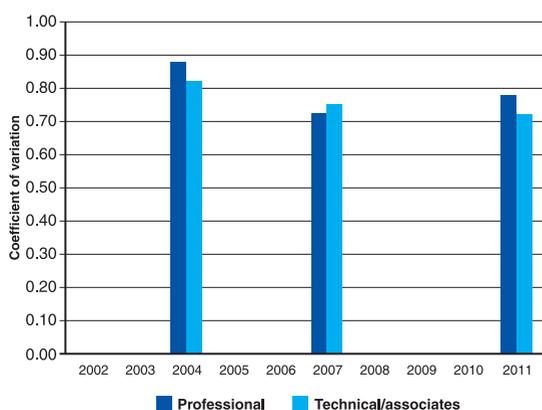
Note: Labour productivity is value added per worker in US\$ (six to eight ASEAN countries)
 Source: Processed from NSO and IMF data

Ongoing barriers to trade in goods and services and the flow of investment, capital, and skilled labour hinder the process of integration and thus the scope of the region to benefit more rapidly.

Figure 15 shows that, at the overall level and within each broad sector (agriculture, manufacturing and services), there is little evidence of convergence in average labour productivity over recent years in six to eight ASEAN countries for which data are available.¹³ While additional data are needed in order to make conclusive inferences, one possible implication of Figure 15 is that factors of production have not moved as freely as they could.

... and preventing the economic gains of integration to be shared more effectively.

Figure 16: Coefficient of variation of monthly wages of skilled labour, 2004 - 2009



Note: Wages are average monthly wages in PP\$ of four to five ASEAN countries
Source: Processed from NSO and IMF data.

The AEC Blueprint envisages the free flow of skilled labour as a characteristic of the ASEAN Community. When this ultimately is achieved, the average wages of skilled labour in the region should become more uniform, allowing the population of the region to share the gains from integration more effectively.

Figure 16 shows the coefficient of variation in average monthly wages of skilled labour across four to five ASEAN countries for which data are available.¹⁴ The figure indicates a slight tendency for the wages of professional workers, and to a lesser extent technical/associate workers (both of which

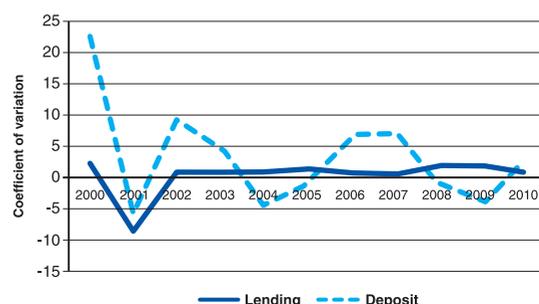
¹³ Depending on the sector, the countries for which data are available include all ASEAN6 countries and Cambodia and Viet Nam.

¹⁴ These countries are Cambodia, Indonesia, Malaysia, Singapore and Thailand.

can be considered skilled workers), to converge. However, this convergence appears to be slow at best and inconsistent.¹⁵

Also, while capital appears to flow more freely ...

Figure 17: Coefficient of variation of effective interest rates for lending and deposits, 2000 - 2010



Note: Interest rates are average effective real interest rates.
Source: Processed from IMF International Financial Statistics (World Databank)

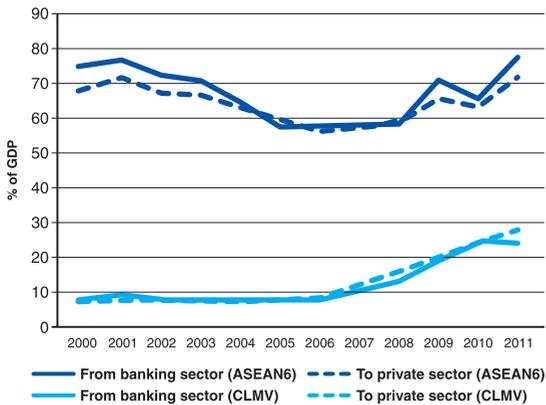
In relation to financial integration the AEC envisages a freer flow of capital to ensure that the funding necessary for development and investment purposes across ASEAN can be sourced more efficiently from within the region.

Figure 17 shows average real effective interest rates – local interest rates adjusted for price and currency fluctuations – for deposits and lending across ASEAN countries. It can be seen from the chart that, there is a strong tendency for these rates to become more uniform over time, consistent with an envisaged freer flow of capital in the region since the rates reflect the price of capital.

... more capital is needed and can be provided from within the region.

¹⁵ The peak in coefficient of variation for effective lending rate in 2005 appears to reflect higher than average inflation rate- computed based on the implicit GDP deflator for Brunei Darussalam and Indonesia - which were not followed by similar adjustments in nominal lending rates in those two countries in that year.

Figure 18: Proportion of domestic credit as a percentage of GDP, 2000 - 2011



Note: ASEAN6 and CLMV figures are simple averages
 Source: Processed from IMF Financial Statistics

In developed economies the private sector can tap domestic financial resources more easily than the private sector in developing countries, such that the proportion of domestic credit to GDP in developed countries usually exceeds 100 percent. Increased capital mobility across ASEAN would lead to an increase in the provision of credit by domestic sources within the region, both from banking and non-banking sources.

Figure 18 shows the proportion of domestic credit obtained from the banking sector and provided to the private sector (as a share of GDP) in ASEAN6 and CLMV countries over the past decade. The figure highlights the significant gap that exists between the two groups. For example, domestic supply and demand for credit equaled around 70 to 80 per cent of GDP in ASEAN6 in 2011, compared with just 20 to 30 per cent of GDP in CLMV countries. Having said this, the gap has narrowed, with domestic credit and borrowing in the CLMV group growing by well over 200 per cent since 2000. Significant scope remains for the CLMV group to increase their share of domestically provided credit in the coming years.



APPENDICES

APPENDIX 1: DEFINITIONS

GDP per capita in PPP\$

Gross domestic product (GDP) per capita in purchasing power parity (PPP) US dollars (\$) is defined as total value of GDP in international (PPP) \$ divided by the estimated number of population in the same year. GDP per capita in PPP\$ is gross domestic product converted to international dollars using purchasing power parity rates – one international dollar has the same purchasing power over GDP as one US dollar has in the United States. Data are in constant 2005 international dollars.

Proportion of population with less than PPP\$1.25 a day

The percentage of the population living on less than US\$1.25 a day at 2005 international prices.

Human Development Index

The geometric mean of three human development indices (long and healthy life, knowledge, and a decent standard of living) is calculated and provided by the United Nations Development Program (UNDP) Human Development Report.

ASEAN trade in goods index

Each index was constructed using the corresponding total current value of exports and imports of commodities between ASEAN member states and other ASEAN member states (intra-ASEAN) and between ASEAN member states and the rest of the world (extra-ASEAN), with 2004 as the base period (corresponding to an index value = 100).

ASEAN import in services index

Each index was constructed using the corresponding total current value of services imports into ASEAN member states for six broad subsectors, with 2005 set as the base period (corresponding to an index value = 100).

ASEAN inward FDI index

Each index was constructed using the corresponding total current value of inward foreign direct investment in ASEAN member states, with 2000 set as the base period (corresponding to an index value = 100).

ASEAN tourism arrival index

Each index was constructed using the corresponding total number of tourist arrivals in ASEAN member states from other ASEAN member states and the rest of the world with 2000 set as the base period (corresponding to an index value = 100).

Coefficient of variation in PPP conversion factor

The value of cross-country standard deviation in the PPP conversion factors for ASEAN countries divided by the corresponding average value. A purchasing power parity (PPP) conversion factor is the number of units of a country's currency required to buy the same amount of goods and services in the domestic market as the US dollar would buy in the United States.

Life expectancy

Life expectancy at birth is defined as the average number of years calculated from the time of birth that a person is expected to live.

Adult completion of schooling

The average number of years of schooling completed by the adult population as reported by the UNDP HDRO updates of Barro and Lee (2010): "A new data set of educational attainment in the world, 1950–2010". The estimates are based on UNESCO Institute for Statistics data on education attainment (2011) and Barro and Lee (2010) methodology. Essentially the methodology involves forward and backwards interpolation of school attainment data from 146 different countries, collected by 621 census/surveys which had been compiled by UNESCO, Eurostat, national statistic agencies and others. The census/surveys data provide the distribution of school attainment in the population over age 15 by sex and by five-year age brackets. Six categories of school attainment were considered: no formal education, incomplete primary, complete primary, lower secondary, upper secondary, and tertiary.

Infant mortality rate

Deaths of the population less than one-year old per 1000 live births.

Youth literacy rate

The percentage of the population aged 15–24 years old who are literate. Literacy is the ability to read and write with comprehension a simple statement related to one's daily life, involves a continuum of reading and writing skills, and often includes basic arithmetic skills (numeracy).

**Note that there might be some variations in the definition of literacy rate used by ASEAN NSOs. For example, the Indonesian BPS defines literacy rate as the ability to read and/or write. Ability to read and/or write indicates that a person is able to construct simple sentences or can read and write Braille. Handicapped persons who were able to read and write but can no longer do so because of their handicap are classified as literate.*

Children expected years of schooling

The number of years a person of school-entrance age can expect to spend in the specified level of education (i.e. school life expectancy), as reported by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Costs to import and export per container

The amount of official fees in US dollars levied on a 20-foot container for completing the procedures to export or import goods, including: document costs, administrative fees for customs clearance and technical control, customs broker fees, terminal handling charges and inland transport. Excluded are the costs of tariffs or trade taxes. These costs data are collected by the World Bank's Doing Business project.

Coefficient of variation in labour productivity

The value of cross-country standard deviation of labour productivity levels divided by the corresponding average. Labour productivity is measured by dividing gross value added (measured in constant prices) in each sector by the corresponding size of employment.

Coefficient of variation in average monthly wages of skilled labour

The value of the cross-country standard deviation of monthly wages per worker for skilled labour (occupational categories of professional and technical/associate professional) divided by the corresponding average. The average monthly wage is measured by dividing the total wages paid (in

US\$) in a year by 12 and then by the number of skilled workers for each occupational category.

Coefficient of variation in effective lending and deposit interest rates

The value of the cross-country, standard deviation of effective interest rates divided by the corresponding average. Effective interest rates are nominal interest rates in local currency net of the inflation rate and currency appreciation. The deposit interest rate is the rate paid by commercial or similar banks for demand, term, or savings deposits. The lending interest rate is the rate charged by banks on loans to prime customers. Data on these two types of rates were obtained from the IMF's International Financial Statistics database.

Proportion of domestic credit as a percentage of GDP

Domestic credit provided by the banking sector includes all credit to various sectors on a gross basis (with the exception of credit to the central government, which is net). Domestic credit to the private sector refers to financial resources provided to the private sector (such as loans, purchases of non-equity securities, and trade credits and other accounts receivable) that establish a claim for repayment. The banking sector includes monetary authorities and money deposit banks, as well as other banking institutions for which data are available (including institutions that do not accept transferable deposits but do incur such liabilities as term and savings deposits). The data were obtained from the IMF's International Financial Statistics database.

APPENDIX 2: DATA SOURCES

National Statistical Offices in ASEAN and ASEANstats

The following country-level data were provided by national statistical offices from ten ASEAN member states and ASEANstats of the ASEAN Secretariat:

- Annual population, 2000–2011
- Proportion of population with less than PPP\$1.25 a day, 2000; 2005; 2010
- Current values of trade in goods at commodity level, 2004–2011
- Current values of trade in services at primary sector level, 2005–2011
- Current values of inward foreign direct investment, 2000–2011
- Life expectancy, 2002–2010
- Infant mortality rate, 2000; 2005; 2010
- Youth literacy rate, 2000; 2005; 2010
- Constant price values of gross value added (total, agriculture, manufacturing, services), four ASEAN countries, 2007–2009
- Total employment (total, agriculture, manufacturing, services), four ASEAN countries, 2007–2009
- Total wages paid, professional and technical/associate occupational categories, four to five ASEAN countries, 2004;2007;2009
- Total paid employment, professional and technical/associate occupational categories, four to five ASEAN countries, 2004;2007;2009
- Exchange rates and inflation rates, Singapore, 2000–2011.

United Nations Development Program, United Nations Educational, Scientific and Cultural Organization, World Bank, and International Monetary Fund

The following country-level data were provided by the UNDP, UNESCO, the World Bank and the International Monetary Fund. Data were downloaded from World Bank's World DataBank –World Development Indicators (WDI) & Global Development Finance (GDF) (<http://databank.worldbank.org/ddp/home.do>) and the UNDP Human Development Report (HDRO) (<http://hdr.undp.org>):

- Constant price values of GDP in PPP\$, 2000–2010
- Human Development Index, 2005–2010
- PPP conversion factors, 2000–2010
- Life expectancy (Lao PDR and Thailand), 2002–2010
- Adult completion of schooling in years, 2005–2010
- Children's expected years of schooling, 2005–2010
- Costs to export and import per container, 2005–2006
- Nominal deposit and lending rates in LCU, exchange rates and inflation rate, 2000–2011
- Provision of domestic credit as percentage of GDP, 2002–2010.

APPENDIX 3: DATA TABLE

Indicator	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP/capita (PPP\$) ¹⁶												
ASEAN6	3597.0	3704.9	3877.6	4118.6	4453.9	4765.8	5135.3	5544.9	5862.3	5893.3	6370.5	6743.0
CLMV	1055.0	1139.6	1217.8	1349.8	1452.1	1595.8	1762.9	1965.7	2066.4	2273.9	2421.0	2587.0
Total ASEAN	2882.0	2982.7	3127.8	3336.6	3604.6	3870.0	4181.1	4531.5	4793.5	4878.1	5264.4	5580.8
Population (millions)												
ASEAN6	371.7	377.7	383.3	389.0	394.6	401.0	406.7	412.4	418.4	424.2	429.9	435.7
CLMV	145.6	148.0	150.5	153.1	155.7	157.9	160.5	162.9	164.0	165.4	167.3	169.1
Total ASEAN	517.3	525.7	533.8	542.1	550.3	558.9	567.2	575.3	582.4	589.6	597.2	604.8
Population <PPP\$1.25 a day (%) ¹⁷												
ASEAN6	29.4					17.5					15.0	
CLMV	45.0					25.5					16.4	
Total ASEAN	32.8					19.2					15.3	
Human Development Index												
ASEAN6						0.678	0.682	0.688	0.693	0.696	0.702	
CLMV						0.508	0.517	0.525	0.531	0.536	0.542	
Total ASEAN						0.630	0.636	0.642	0.648	0.652	0.657	
Value of trade in goods (\$billions)												
Intra-ASEAN exports					141.3	163.9	189.2	217.3	250.0	199.6	268.0	327.5
Intra-ASEAN imports					119.7	141.0	163.6	184.6	220.1	176.6	251.8	270.7
Intra-ASEAN trade					260.9	304.9	352.8	401.9	470.1	376.2	519.8	598.2
Extra-ASEAN exports					428.1	484.3	561.5	642.5	727.6	610.9	803.0	914.8
Extra-ASEAN imports					382.8	435.7	490.5	566.4	699.5	549.8	723.0	875.6
Extra-ASEAN trade					810.9	920.0	1052.0	1208.9	1427.0	1160.7	1525.9	1790.4
Value of trade in services (\$billions)												
Exports						35.0	43.6	55.3	59.7	53.7	68.5	84.4
Travel						33.9	37.6	48.6	56.6	45.3	55.8	61.3
Transport						36.9	43.1	51.9	57.6	60.4	70.5	80.6
Business services, royalties & licenses						7.0	9.0	12.6	13.2	13.0	15.8	16.8
Finance & insurance						4.2	5.2	6.3	8.2	8.7	10.1	11.5
Communication, computer & information						3.8	4.0	4.9	5.8	5.2	5.8	6.2
Other services						35.0	43.6	55.3	59.7	53.7	68.5	84.4
Imports												
Travel						24.1	27.0	32.5	37.7	36.6	44.3	50.2
Transport						56.8	64.8	75.5	89.1	68.3	86.0	102.0
Business services, royalties & licenses						46.8	52.6	61.0	71.1	67.0	76.7	89.0
Finance & insurance						6.8	7.9	9.7	10.5	10.1	12.3	12.9
Communication, computer & information						3.7	4.5	5.3	6.6	6.3	7.5	8.7
Other services						5.0	5.5	6.3	6.8	6.2	6.4	6.3
Value of inward FDI (\$billions)												
Intra-ASEAN	0.85	2.54	4.08	2.83	3.52	4.21	8.64	9.11	9.73	6.30	14.32	26.27

Indicator	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Extra-ASEAN	21.81	22.32	19.08	29.27	39.38	42.55	63.68	84.14	49.28	46.89	92.26	114.08
Tourist arrivals (millions)												
Intra-ASEAN	15.92	17.92	18.79	17.00	22.17	23.25	25.40	27.34	30.28	31.69	35.04	37.73
Extra-ASEAN	23.22	24.04	24.97	21.37	26.91	28.03	31.52	34.94	35.33	33.99	38.71	43.50
PPP conversion factor ¹⁸												
GDP basket												
ASEAN6 average	0.457	0.421	0.424	0.432	0.452	0.472	0.509	0.551	0.592	0.549	0.613	0.654
CLMV average	0.291	0.281	0.272	0.278	0.288	0.297	0.313	0.333	0.383	0.381	0.400	0.420
ASEAN Coefficient of Variation	0.327	0.327	0.299	0.271	0.277	0.285	0.275	0.271	0.243	0.212	0.231	0.251
Consumer basket												
ASEAN6 average	0.590	0.553	0.553	0.557	0.561	0.563	0.592	0.626	0.660	0.659	0.703	0.749
CLMV average	0.375	0.352	0.348	0.352	0.364	0.373	0.390	0.414	0.485	0.490	0.501	0.529
ASEAN Coefficient of Variation	0.506	0.539	0.482	0.455	0.443	0.423	0.373	0.349	0.324	0.372	0.320	0.338
Life expectancy (years)												
ASEAN6			69.1	69.4	69.7	70.1	70.4	71.0	71.2	71.4	71.6	
CLMV			67.0	67.7	67.9	68.4	68.7	69.4	69.4	69.6	69.8	
Total ASEAN			68.5	68.9	69.2	69.6	69.9	70.6	70.7	70.9	71.1	
Adult schooling completion (years)												
ASEAN6						7.5	7.6	7.8	7.9	7.9	8.0	8.0
CLMV						4.6	4.7	4.8	4.8	4.9	5.0	5.0
Total ASEAN						6.4	6.5	6.6	6.6	6.7	6.8	6.8
Infant mortality rate ¹⁹												
ASEAN6	17.6					14.3					13.8	
CLMV	65.6					50.5					39.7	
Total ASEAN	36.8					28.8					24.2	
Youth literacy rate (%) ²⁰												
ASEAN6	97.7					98.6					99.4	
CLMV	80.8					88.3					92.0	
Total ASEAN	92.0					95.1					96.9	
Expected children schooling completion (years)												
ASEAN6						12.7	12.8	12.9	13.0	13.1	13.1	13.1
CLMV						9.5	9.6	9.6	9.7	9.7	9.7	9.7
Total ASEAN						11.4	11.5	11.6	11.7	11.7	11.7	11.7
Cost of trading per container (\$)												
Import						695	674	698	745	747	731	742
Export						795	776	769	821	825	815	815
Labor productivity (Coeff. Var.) ²¹												
Agriculture								1.55	1.55	1.61		
Manufacturing								2.60	2.62	2.60		
Services								1.14	1.13	1.12		
Total all sectors								1.63	1.59	1.60		
Skilled labour wages (Coeff. Var.) ²²												
Professional					0.872			0.730		0.765		
Technical/associate					0.826			0.748		0.719		

Indicator	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Effective interest rates (% per year) ²³												
Deposit												
ASEAN6 average	3.611	-0.947	5.429	4.965	-0.096	-3.768	0.640	0.659	-4.949	-1.725	4.663	
CLMV average	-4.659	-3.019	-6.538	-4.117	-3.150	-3.753	-0.776	-0.054	-9.557	0.742	-3.511	
Coeff. Variation	22.953	-6.805	9.336	4.750	-4.576	-1.132	6.437	7.028	-1.727	-4.146	3.408	
Lending												
ASEAN6 average	2.192	-3.107	7.572	7.670	4.974	3.103	8.312	10.882	4.006	2.515	10.531	
CLMV average	3.319	5.789	3.444	7.600	9.283	10.517	15.392	15.820	8.379	12.842	7.428	
Coeff. Variation	2.303	-8.746	0.732	0.647	0.896	1.386	0.757	0.671	1.922	1.956	0.897	
Domestic credit provision as % of GDP												
From banking sector												
ASEAN6	74.8	76.9	72.7	70.6	64.8	57.7	57.6	58.1	58.1	70.5	65.4	79.0
CLMV	7.7	9.3	8.0	7.9	8.3	7.6	7.6	9.7	13.4	20.0	24.6	24.1
Total ASEAN	55.6	57.6	54.2	52.7	48.7	43.4	43.3	44.3	45.4	56.1	53.7	68.0
To private sector												
ASEAN6	68.0	71.7	67.2	66.5	62.9	59.5	56.4	56.8	59.5	65.6	62.9	73.0
CLMV	7.7	7.8	7.4	7.1	7.9	8.2	8.9	12.4	16.5	20.9	24.2	28.2
Total ASEAN	50.7	53.4	50.1	49.5	47.2	44.8	42.8	44.1	47.3	52.9	51.8	64.0

¹⁶ No available data for Myanmar.

¹⁷ No available data for Myanmar. The average computation does not include Singapore and Brunei Darussalam. Singapore does not have an official poverty line.

¹⁸ A value of one indicates the average price level of the specified commodity basket is the same as that of the United States. No data available for Myanmar.

¹⁹ For Malaysia in 2000, the 2002 figure was used.

²⁰ No data available for Viet Nam. For Singapore, data from 2000 were used for 2005.

²¹ Depending on the year and/or sector, the data for the following countries are incomplete: Cambodia, Indonesia, Lao PDR, Myanmar, Philippines, Viet Nam.

²² No available data for Brunei Darussalam, Lao PDR, Myanmar, Philippines, and Viet Nam.

²³ No available data for Brunei Darussalam, Lao PDR, Myanmar, Philippines, and Viet Nam.

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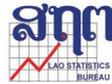
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