

# Towards Pan-Asian Economic Community: Rationale, Present Status and Way Forward

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# Introduction

- The Context
- Rationale
- Present Status
- Way Forward

# The Context

## ● Growth in Number of RTAs

- Economics of their own

## ● Asian Context

- Debate on Frameworks
- Lack of a Pan-Asian Formal Regional Economic Integration Agreements

# Rationale

- Development Gaps and Growth Asymmetries in EAS
  - Dimensions of Development Gaps in EAS
    - P.C.Y.
    - Social infrastructure: health, education, human development
    - Poverty levels
    - Physical Infrastructure
    - Structure of economies
  - Growth rates
  - Growth Asymmetries and Implications for Complementarities
- Growth Convergence and Regional Integration: Conceptual Basis and Empirical Results ( $\beta$  – convergence Panel Data Estimation)
- Rationale for Development Cooperation: Narrowing Development Gaps in Asia

# Rationale for Development Cooperation

- Replicability
- Partnership approach in sharing development experiences than donor-recipient relationship
- Appropriate skills
- Appropriate technology
- Appropriate scale
- Geo-climatic conditions
- Cost-effectiveness
- Capacity-building
- Successful examples of Japan, China and India, among others, in development and business assistance

# Present Status

- AEM+6 Meeting 15 August 2009 Bangkok
- Joint Statement
  - *Referred to Leaders and SEOM*
  - *discuss the EAFTA and CEPEA recommendations together*
  - *undertake a step-by-step approach by commencing discussions on rules of origin, tariff nomenclature, customs-related issues and economic cooperation*
- EAS Senior Economic Officials Meeting 15-16 September 2009, ASEAN Secretariat, Jakarta
- EAS ROO Workshop 5 February 2010 Tokyo
- Stocktaking of AEM+6 Meeting EAS SEOM WL 25 March 2010 Bali

# Way Forward

- S&DT in Trade Liberalisation
- Asian Development Funds
  - ARDF
  - ARIF
  - ATDF
- EAS Mechanism for Mobilizing Foreign Exchange Reserves for Infrastructure Development
- *De facto to de jure*
- Japan-India-China
  - ASEAN Centrality
  - Trade-off between no. of countries and pace of progress
  - Trilateral FTA / CECA





Thank You