

## **TOWARDS ASEAN ECONOMIC COMMUNITY: CHALLENGES AND OPPORTUNITIES**

Dr. Teofilo C. DAQUILA  
National University of Singapore, Singapore  
Email: seatcd@nus.edu.sg

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### **Abstract**

The global economy has seen an increasing number of regional economic groups including the Association of Southeast Asian Nations (ASEAN) that was formed in 1967 and expanded to include all ten Southeast Asian countries. By the end of 2015, ASEAN will become one market called the ASEAN Economic Community which results in a freer flow of goods, services, people, investments and capital within the region. With this transition towards a single community next year and beyond, the Southeast Asian economies have faced and will continue to face some challenges and opportunities. In this paper, I shall identify and discuss some of them including (i) the structural transformation of their economies and its impact on Southeast Asia's output and employment, and the corresponding consequences on labour mobility and human resource development, (ii) the socioeconomic divide in Southeast Asia and the need to narrow it, (iii) the competitiveness issue and the need to improve it at the national, regional and global levels, particularly due to the competition and threat with the emergence of China and India, (iv) the increasing interdependence with regional and global economy and the need for market diversification, and (v) managing and minimising the consequences of internal and external disturbances including economic crisis, diseases, man-made or natural disasters.

**Keywords:** ASEAN, Economic community, Labour mobility, Regional, Global economy

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