

**EAST ASIAN ECONOMIC COOPERATION:  
LESSONS FOR SOUTH AMERICAN  
REGIONALISM**

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## **East Asia as a Dynamic Economic Region**

Geographically speaking, East Asia (EA) as conventionally defined is made up of two regions: Northeast Asia and Southeast Asia. In economic terms, EA comprises Japan, South Korea and China (which also comprises Taiwan and Hong Kong) in the Northeast and ten Southeast Asian countries of Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Cambodia, Laos, Myanmar, and Vietnam, which together constitute the Association of Southeast Asian Nations (ASEAN). The four economies of South Korea, Taiwan, Hong Kong and Singapore used to be called the East Asian “NIEs” (newly industrialised economies), also dubbed the “Four Little Dragons”. ASEAN was originally formed in 1967 by the five countries of Indonesia, Malaysia, the Philippines, Singapore and Thailand. Others became ASEAN members much later.

Most of these EA economies, especially Japan, China and the NIEs were high-performance economies, having chalked up high growth at near-double digit rates for a sustained period (**Table 1**). Because of this, EA has been known as the world’s most dynamic economic region since the second half of the 20th century.

Situated at the western rim of the Pacific, EA is quite a natural economic region. Japan, being the most advanced economy, started off as the natural economic leader of the region; it has in fact been the prime source of capital and technology for other EA economies, first the NIEs, then China and ASEAN. The resource-based ASEAN economies complement well with the manufacturing-based NIEs while both as late-starters also complement the more developed Japanese economy. Then, the huge potential of China, with its vast population and diverse needs, offers additional opportunities for all.

Not surprisingly, the EA region has already developed a fairly high level of intra-regional trade. As shown in **Table 2**, the EA region in 2008 absorbed 47% of Japan’s total exports, 50% of China’s; 45% of Korea’s, 56% of Taiwan’s, 59% of Hong Kong’s, 52% of Singapore’s, and 43% of the average of the ASEAN-4’s. Their trade dependence on the region in 1988 was generally much lower.

Apart from its increasing intra-regional trade, intra-regional foreign direct investment (FDI) flows have also operated as a powerful integrating force for the EA region, especially since a great deal of regional FDI is trade-related in nature. Essentially open and outward-looking, the EA economies are highly dependent on

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foreign trade and foreign investment for their economic growth. In particular, both China and ASEAN have devised various incentive schemes to vie for FDI, which is generally treated as not just an additional source of capital supply but, more importantly, a means of technology transfer and export market development.

Initially, Western capital dominated the EA region's FDI scene. Then came the Japanese capital as the second wave, particularly after the early 1980s. In the 1990s, the region witnessed a new but no less significant trend associated with increasing FDI flows from the NIEs to ASEAN and China. The NIEs, having transformed themselves from capital-scarce to capital-surplus economies, become a new source of capital outflow to other less developed EA economies, thereby forming the third wave. Driven by rising costs and higher wages, the NIEs were relocating their labour-intensive manufacturing facilities to ASEAN and China with lower production costs, much like what Japan had done earlier. In this way, trade and FDI, often closely interrelated, have operated as a powerful integrating force for the EA region.

### The Flying Geese

Historically speaking, the EA growth process, as shown in **Table 1**, is marked by three waves. Japan was the first non-Western country to become industrialised. Its high growth dates back to the 1950s after it had achieved its rapid post-war recovery, and carried the growth momentum over to the 1960s and much of the 1970s. Japan's economic growth engine was initially based on the export of labour-intensive manufactured products, but it was soon forced by rising wages and increasing costs to shed its comparative advantage in labour-intensive manufacturing in favour of the four NIEs, which started their industrial take-off in the 1960s. These four NIEs were arguably the most dynamic economies in the world at that time, as they had sustained near double-digit rates of growth for over three decades, from the early 1960s to the early 1990s. The rise of the NIEs constituted the second wave of the region's growth and integration.

By the early 1980s, high costs and high wages had similarly caught up with these four NIEs, which had to restructure their economies towards more capital-intensive and higher value-added activities by passing their comparative advantage in labour-intensive products to the late-comers of China and other ASEAN economies, thereby spreading economic growth to the latter. In particular, China had been able to register double-digit rates of high growth for over three decades since 1980. Many Japanese scholars like to depict this pattern of development in Asia as the "Flying Geese" pattern.<sup>1</sup> The "flying geese model" for all its simplicity still provides a highly instructive and intuitive explanation to EA's process of successful economic growth from the rise of Japan to the rise of China. **Figure 1** gives the graphical expression of the flying geese.

Suffice it to say that in the process of growth, the EA economies have also increased their economic interaction with each other, and hence their growing economic interdependence. Despite their inherent political, social and economic

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<sup>1</sup> The "flying geese" concept of development was originally coined by a Japanese economist, Kaname Akamatzu. ("A Historical Pattern of Economic Growth in Developing Countries", *Developing Economies*, Vol. No.1, March/August 1962).

divergences, the EA economies can actually economically integrate quite well as a loosely constituted and market-driven regional grouping. This is essentially the underlying meaning of the “flying geese” principle.

The underlying economic theory for the flying-geese growth pattern is associated with the concept of shifting comparative advantage. Most of the EA economies are open and outward-looking, with their economic growth heavily dependent on exports, particularly labour-intensive manufactured exports in their early phases of industrialisation. The theory of comparative advantage is therefore critical to these export-oriented economies. Thus, high costs and rising wages in Japan in the 1960s caused it to lose its comparative advantage in labour-intensive manufactured exports and pass it onto the NIEs, which had similarly lost their comparative advantage in labour-intensive exports in the 1980s and the 1990s in favour of China and other late-comers in ASEAN.

To achieve high growth, most of these EA economies had devoted a high proportion of their GDP to domestic investment, which was generally matched by equally high levels of domestic savings. In fact, high investment and high savings provide the single most important neo-classical explanation to the high growth of the EA economies. Most EA economies had generally committed more than 30% of their GDP to domestic investment during their critical phases of industrial take-off.<sup>2</sup> High investment has worked on these economies much like a “virtuous circle”: high rates of investment induce high export growth, and then high GDP growth, high savings and finally high investment again.

In terms of development policy, most EA economies shared the salient common feature of operating an effective export-oriented development strategy, as reflected in their generally high export-GDP ratios and their relative high shares in the world export markets. Exports not only provide the economies of scales for production but also facilitate technological progress and productivity growth. In this way, the overall export orientation of the EA economies had propelled them to high growth through reaping the gains from international trade and specialisation.<sup>3</sup> In contrast, many countries in Latin America and South Asia were long plagued by relatively low economic growth mainly because they had failed to make a successful transition from their import substitution industrialisation to export orientation, as in EA.

By and large, the ASEAN economies in Southeast Asia (except for Singapore) are well-endowed with a wide variety of primary commodities and natural resource products, which had played an important role in their early phases of economic growth. In contrast, the Northeast Asian countries of Japan, China and Korea are basically resource-poor and land scarce. However, these EA countries have managed to overcome their natural resource constraints by intensifying their human resource development

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<sup>2</sup> See World Bank, *World Development Report* (various years) and Asia Development Bank, *Asian Development Outlook* (various years), which provide data on investment and savings rates of the EA economies for various years.

<sup>3</sup> For further discussion of this topic, see John Wong, “The East Asian Phenomenon and the Implications for Economic Development”, in Basant K. Kapur etc. (eds), *Development, Trade and the Asia-Pacific*, Essays in honour of Professor Lim Chong Yah, (Singapore, Prentice Hall, 1996).

through education and training, as reflected in the social indicators of **Table 3**. Viewed from a different angle, rapid human capital formation actually constitutes the endogenous source of growth for many EA economies.

Furthermore, the institutional structure of EA has also been crucial for its economic growth. The basic development policies in EA are pro-growth and pro-market. Beyond its basic role of providing education and infrastructure, most EA governments generally (except in Hong Kong) actively participate in promoting growth, particularly for export promotion and industrial upgrading. Important government intervention is often undertaken through the market. In short, all these pro-growth institutional factors constitute what some development economists have referred to as the “East Asia Developmental State” model. The World Bank has referred to this high growth phenomenon as the “East Asian Miracle”.<sup>4</sup>

### China’s Economic Rise

China’s economy has chalked up spectacular performance since the start of its economic reform in 1978, growing at an annual rate of 9.9% for well over three decades. (**Figure 2**). It did not suffer from the 1997 Asian financial crisis. It was also relatively unaffected by the recent global financial crisis, which had brought most economies to grief. China’s economic growth for 2009 remained at 9.2% and went up to 10.3% growth for 2010. In fact, China’s economy not only had quickly bounced back in high growth from the global financial crisis, but was also leading the global economy to recovery.

With its total (nominal) GDP just over US\$5 trillion, China had just replaced Japan as the world’s second largest economy. In PPP (purchasing power parity) terms, China has long been the world’s number two economy, after the USA. For a few years now, China has already been the world’s largest exporting country. In the post-crisis world, China has further distinguished itself as a country with the world’s largest reserves (US\$3.2 trillion) and as the only large country not burdened by huge domestic and external debts.

China’s economy is set to continue with its high growth (at around 8%) at least through this decade, while at the same time undergoing rebalancing and restructuring. China has just started its 12th Five-Year Plan (2010-2015), which is aimed at speeding up restructuring its growth pattern by reducing its dependence on exports towards greater domestic demand. This will render China’s long-term economic growth more sustainable.

China’s rise has radically altered the region’s trade and investment patterns, operating as a source of the region’s economic growth while also accelerating process of regional economic integration. Regionally, as shown in **Figure 3**, China’s overall trade pattern with the EA region is such that it incurs trade deficits with its regional trade partners and turns around by chalking up trade surplus with the EU and the USA. In this way, China’s economy has become an important engine of growth for other EA economies, which are making use of China’s huge domestic markets (for both manufactured products and primary commodities) as a source of their own growth.

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<sup>4</sup> The World Bank, *The East Asian Miracle* (New York, Oxford University, 1994).

China's economy has also facilitated the region's economic integration. As shown in **Figure 4**, China imports high-tech parts and components from Japan, Korea and Taiwan; raw materials and parts and components from ASEAN; and services from Hong Kong and Singapore. China then processes them and turns "made-in-Asia" into "made-in-China" products for exports to the world markets at large. This is because China is the home of many regional and global supply chains (or regional production networks).

As China's economy today already has a large base, further high growth will certainly produce its own dynamics of "speed being compounded by scale". The next phase of China's economic rise is therefore set to produce even more profound regional and global impact, altering the geo-economic and geo-political landscapes in both EA and the world at large.

### **Japan-led EA-I vs. China-led EA-II**

EA owed its first few decades of dynamic growth to the economic rise of Japan. That was the "first rise" of East Asia (or EA-I), which was clearly associated with Japan's economic growth. By the mid-1980s when Japan's economic growth was at its peak, there was the frequent talk of the rise of EA as the world's most dynamic economic region. Soon after this, however, particularly following the Plaza Accord in 1985 (when the Japanese yen was forced to take a large measure of revaluation), Japan as the "leading goose" not just lost its economic growth momentum, but also plunged into a prolonged recession, the so-called "lost decade". In the meantime, economic growth of the NIEs had also come down a lot, partly because their economies became mature. EA looked like losing its glitter as a dynamic economic region

By the turn of this century, the notion of EA as the world's most dynamic economic region was revived, this time because of the economic rise of China. The "second rise" of East Asia or "EA-II" is clearly China-led. In fact, EA's third wave of high growth, heavily gravitating towards China, has proved to be economically far more formidable than the previous two waves.

China's relentless high growth has been far more "dynamic" than Japan's past process of growth because of China's huge size and diversity, which by itself can generate a lot of growth potential both for itself and for the region. With greater internal dynamics, China promises to sustain its high growth much longer than Japan's. China's role as an engine for EA's growth is also by far more powerful than that of Japan last time. As shown earlier, China has played a much larger role in integrating the EA economies than what Japan had done, thanks to the operation of the many global and regional supply chains that are clustered in China.

Not surprisingly, China has eclipsed Japan's economic leadership role in EA as its largest economy. In short, the China-led EA-II is quantitatively and qualitatively different from the Japan-led EA-I. As shown in **Table 4**, the China-led EA-II in 2010 accounted for 23.4% of global GDP, much the same as the USA's 23.5%, though slightly smaller than that of the EU, as compared to the 15% of the Japan-led EA-I (1985). For exports, EA-I accounted for 29% of the global market share, compared to the 24% of the EA-I.

While Japan's past growth potential had dissipated, with little chance of recovery because of the onset of its ageing population, China is able to sustain its high growth far longer. In the wake of the global financial crisis, most developed economies including Japan were saddled with serious structural problems like high unemployment and serious household and government debts. They are also facing a looming public finance crisis. China's economy, in contrast, is still steaming in high growth, backed by strong fundamentals and good internal and external balances. China is widely expected to continue with its high growth for the next 10 to 15 years.

In fact, with the relative decline of the developed economies in the aftermath of the financial crisis, the China-led EA-II will in a few years become the world's largest economic entity. This explains the clear shift of global economic gravity towards East Asia. **Figure 5** highlights China's expanding economic size in EA.

### **Towards a China-Centric Regional Economic Order**

China's basic development strategies will remain pro-growth while undergoing rebalancing gradually and addressing its many domestic economic and social issues at the same time. Overall, China has started to exert strong geo-economic influence on the EA region as a whole, with its economic activities increasingly drawn to China. China's growth will affect the growth of other EA economies, and China's pace of economic restructuring will also set the tone for other EA economies to rebalance themselves, i.e. if China's economy were to cut down its exports to the world, other EA economies will first feel the pinch by also cutting down their exports to China. As stated recently by Singapore's former Prime Minister Lee Kuan Yew, "None of the economies on its periphery can resist the attraction of China's market. Slowly, but inexorably, we are being drawn into China's economic orbit".<sup>5</sup> In short, a China-centric East Asian Economic Community is slowly taking shape.

While EA's emerging geo-economic pattern is sufficiently clear, its geo-political landscape is much more complicated. On account of its size, the rise of China can be considered, in geo-political terms, disruptive to many of its smaller neighbours, not all of which have unequivocally accepted China's message of "peaceful rise". China also lacks effective "soft power" to sell such messages.<sup>6</sup> In particular, Japan still has problems coming to terms with its relative decline and the rise of China.

It is easier for the region to embrace China's economic leadership because economic relations are basically market driven, with clear mutual benefits. It is far more difficult for the region to accept China's political leadership over the region; certainly not before the region has settled its many outstanding issues of geo-political conflict. China's recent positions on the territorial disputes in the South China Sea are certainly not helpful in this regard. This means that EA-II will not be an effective and cohesive political grouping. For a long time to come, it will remain "hot in economics, but cold in politics" (*Zhengleng Jingre*).

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<sup>5</sup> *The Straits Times*, (Singapore, December 9, 2010), p. A31.

<sup>6</sup> Recently, the Information of the State Council in China published a white paper on China's peaceful development, which further reaffirms China's intentions of pursuing peace and stability in its approach to foreign policy. People's Daily Online, September 6, 2011.

Even more complicated is how the EA-II in future will integrate itself with the existing global order dominated by the USA. The problem is already seen by the recent shift of US strategic focus back to EA, promptly in response to the shift of global economic gravity towards the region. The presence of such extra-regional political forces is likely to further “muddy” the region’s geo-political water. **Figure 6** illustrates the changing economic strengths of China, Japan and the USA since 1980. It shows the total GDP of EA and the USA converging and that of China and Japan also converging.

Historically, all established hegemonic powers will strive to prevent the rise of another new power. The rise of Japan-led EA-I posed no threat to the then US geo-political interests because Japan’s economic rise was under US security umbrella. The rise of the more China-centric EA-II this time will clearly be considered a challenge to the established global order dominated by the USA, partly because China is perceived to carry far greater economic potential and partly because China’s political and social systems are so much at odds with those of the West.

Great Britain at one time did try to prevent the rise of Germany. But it did not do much to prevent the rise of the USA, largely because of their political and social similarities, which in turn gave rise to mutual trust. In the case of China’s rise, the factor of trust is missing, but it is an important factor that will complicate the acceptance of the China-centric EA-II by the existing global system.

### **ASEAN’s Road to Regional Economic Cooperation**

While the Northeast Asian countries of Japan, China and South Korea have been “calling the shots” as far as EA’s economic growth and integration is concerned, it is Southeast Asia that is taking the lead in terms of formal regional economic cooperation, as ASEAN is the only formal regional grouping in the whole of EA. Without doubt, Japan and China can exert strong economic influence on the global economy. But politically, ASEAN has strong international clout on account of its various programmes of cooperation and dialogues with countries outside the region.

The following provides a succinct review of the ASEAN process of economic cooperation. It highlights the special method and style that are employed by the ASEAN leaders to organise their regional activities, commonly known as the ASEAN Way.

#### ASEAN Vision 2015

At the 9th ASEAN Summit in Bali, October 2003, ASEAN leaders adopted the Declaration of ASEAN Concord II containing a vision to bring about an ASEAN Community by 2020. The ASEAN Community comprises three pillars: ASEAN Economic Community, ASEAN Security Community and ASEAN Socio-Cultural Community. This was a comprehensive programme of regional cooperation for ASEAN. Vision 2020 was actually first proposed by ASEAN leaders in December 1997 in Kuala Lumpur.



At the 12th ASEAN Summit in Cebu, Philippines, January 2007, ASEAN leaders resolved to bring forward the vision of building the ASEAN Economic Community (AEC) to 2015. The AEC is envisaged to be a kind of single market that will bring about freer trade in goods, freer movement of labour and capital, and freer flow of services, something broadly similar to the European style common market. Admittedly, Vision 2015 is a highly ambitious target.

With the rise of China and India, ASEAN is facing many formidable economic challenges, including its loss of economic growth momentum and declining productivity. ASEAN is badly in need of new initiatives to boost its economic growth and greater economic integration. ASEAN leaders, in accelerating integration from 2020 to 2015, apparently wanted to reinforce ASEAN's central role in promoting regional economic growth and integration. Accordingly, they put up an ambitious programme in order to galvanise ASEAN's efforts towards this common goal.

In a way, the AEC is a logical extension of ASEAN's previous economic cooperation initiatives such as the ASEAN Free Trade Area (AFTA), the ASEAN Investment Area (AIA), and the ASEAN Framework Agreement on Services (AFAS). The implementation of AFTA in 2003 has brought down tariff barriers significantly in accordance with the Common Effective Preferential Tariff (CEPT). For foreign direct investment (FDI), ASEAN investors are given national treatment starting from 2010. Above all, the intra-ASEAN trade share has also grown to reach 24% of ASEAN's total trade. Viewed from this angle, ASEAN has already laid some important groundwork for its future economic integration endeavour.

However, a single market is a very big idea as well as a big challenge for ASEAN. ASEAN is economically and institutionally not ready for something like a single market within five years. Will that happen in 2015? Admittedly, there is a great deal of uncertainty.

### ASEAN's Humble Beginning

ASEAN is 45 years old in 2012. It came into being in 1967 when the foreign ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand, ASEAN signed the Bangkok Declaration expressing their desire for a good-neighbourly style cooperation. Faced with a lot of regional tensions and many outstanding bilateral issues, ASEAN experienced a hazardous existence in the beginning. In 1967, the Vietnam War still raged on, threatening to spill over to Thailand. Singapore had become independent for barely two years. Indonesia's Konfrontasi (Confrontation) against Malaysia and Singapore (1963-65) was still fresh in the minds of their people.

Adding to this is the fact that ASEAN is also highly heterogeneous in terms economic and social development.<sup>7</sup> Against all these odds, the five founding members moved ahead to set up ASEAN as a regional mechanism to help moderate inter-state relations, thereby also allowing individual ASEAN states to concentrate on their nation building efforts and domestic economic development.

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<sup>7</sup> See John Wong, *ASEAN Economies in Perspective: A Comparative Study of Indonesia, Malaysia, the Philippines, Singapore & Thailand* (London, Macmillan Press, 1979).

Under the circumstances, ASEAN had to start its existence in an extremely modest way. The Bangkok Declaration was a brief document, containing neither a blueprint for formal economic cooperation nor any grand design for such supranational objectives as the formation of a political bloc or a military alliance. For the first decade of its existence, ASEAN had only a simple and rudimentary organisational structure, with no formal charter and no secretariat. All this was in sharp contrast to what had happened in many other regional groupings in the Third World at that time, which were often accompanied by a declaration of lofty goals, along with ambitious targets, well-structured programmes for economic cooperation, and a regional bureaucracy as the implementing machinery.

In retrospect, ASEAN's humble and cautious beginning actually helped the organisation to survive various regional crises and grow. It had survived the Cold War of the 1960s, the fall of Vietnam and Cambodia in the 1970s, the Asian financial crisis in the 1990s, and more recently, the global financial crisis. Over the years, ASEAN's membership has increased to ten. Brunei joined the grouping in 1984, Vietnam in 1995, Laos and Myanmar in 1997, and Cambodia in 1999.

At the same time, ASEAN's difficult beginning along with its underlying obstacles had created two institutional traditions. First, the survival of ASEAN as a regional organisation takes precedence over all other policies, with all successive ASEAN leaders taking ASEAN's survival very seriously. Second, ASEAN's approach to all aspects of regional cooperation has been very cautious, with no member states pushing the envelope very hard to the discomfort of the others. Every member state is jealously guarding its own sovereignty and independence. Understandably, such an approach ensures the survival of ASEAN, but with the trade-off of slower progress towards integration.

Today, ASEAN has been hailed as not just one of the most successful regional organisations in the developing world, but also the longest-lasting regional grouping. Around the time of the formation of ASEAN, the Third World had witnessed the rise of many regional arrangements or attempts to create regional cooperation schemes, particularly in Latin America and Africa: the Latin American Free Trade Association (LAFTA), the Caribbean Community, the Central African Customs Union (CACEU), the East African Community (EAC), and the Economic Community of West African States (ECOWAS).<sup>8</sup> Entering into the 1980s, however, these regional schemes had either collapsed or become defunct.

Developing countries' attempts to achieve economic cooperation have never been smooth sailing. Apart from their overall economic backwardness, which gives rise to many obstacles as well as structural rigidities inimical to genuine economic integration, their economies are separately oriented towards the industrially advanced countries and, thus, have a low degree of economic complementarities with each other. Their main exports are usually primary commodities or natural resource products for the developed country markets.<sup>9</sup>

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<sup>8</sup> See Ali M. El-Agraa, ed., *International Economic Integration* (London, Macmillan Press, 1982).

<sup>9</sup> See Peter Robson, *The Economics of International Integration* (London, Allen & Unwin, 1980).

Viewed in the context of Third World's experiments with regional cooperation, ASEAN stands out as an exceptional case and its *continued existence* is highly significant. Not only has it stood the test of time and changing circumstances, but it has also continued to grow to become one of the few highly visible regional groupings.

### ASEAN's Progress in Regional Economic Cooperation

ASEAN's *active existence* is due to one favourable condition. As already shown in **Table 1** earlier, the ASEAN member states are among the world's rapidly growing economies. For the past few decades, the ASEAN region has chalked up an impressive growth rate of around 6%, which, though dwarfed by China's extraordinary growth records, has clearly out-performed many other developing economies elsewhere. Good economic performance generally increases the propensity of the region for greater economic cooperation.

Accordingly, as shown in **Table 5**, total intra-ASEAN trade in 2009 reached US\$377 billion, with the share of intra-ASEAN trade being 25% for exports and 24% for imports. In the 1970s and the 1980s, the intra-ASEAN trade share was around 20%, mainly dominated by primary commodities. It increased to around 27% before the global financial crisis. The growth of intra-ASEAN trade in recent years was mainly driven by the trade in manufactured products, particularly for parts and components. This means that significant economic integration in the ASEAN region is slowly taking place.

Overall, the present intra-ASEAN trade share is still low, particularly compared to over 60% for the EU. According to ASEAN Secretary General Surin Pitsuwan, the intra-ASEAN trade share should increase to 40% of its total trading as it moves to becoming an ASEAN Economic Community in 2015.<sup>10</sup> But this is clearly an unrealistic expectation. This is because the ASEAN region is basically made up of open economies, which are also externally integrated with the more industrialised economies outside the region. ASEAN's primary exports are mainly destined for the developed country markets outside ASEAN, and its intra-regional trade in manufactured products largely emanates from the regional production networks that are dominated by industrial countries outside the region.

It will not be easy for ASEAN to raise its intra-ASEAN trade share to 30% and beyond in a short period of time. To achieve this, the ASEAN economies need to restructure and disengage themselves from their traditional economic ties with countries outside the region, and then "re-integrate" themselves by redirecting economic activities towards the region. This is an exceedingly difficult process. Some have argued that the success of the ASEAN Free Trade Area does not need to depend on the increase of intra-ASEAN trade. In fact, pushing for more intra-ASEAN trade at the expense of the more efficient producers outside the region may not necessarily benefit ASEAN.<sup>11</sup>

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<sup>10</sup> *The Nation*, (October 4, 2010, Bangkok).

<sup>11</sup> Chia Siow Yue and Marcello Pacini, eds. *ASEAN in the New Asia* (Singapore. Institute of Southeast Asian Studies, 1997).

It can therefore be argued that despite this relatively low intra-ASEAN trade share, ASEAN has indeed made important progress toward regional economic integration. This is particularly the case when the overall regional economic cooperation process takes into account the achievements in other areas such as the substantial reductions in tariff barriers (especially after the signing of the CEPT in 1992); simplification, harmonisation and standardisation of customs processes; removal of many restrictions on trade in services, reduction or elimination of investment restrictions and harmonisation of capital-market standards; agreements on multi-modal transport and physical connectivity; and overall improvement in ASEAN competitiveness. All these directly and indirectly, albeit slowly and gradually, operate to broaden and deepen the process of ASEAN economic integration.<sup>12</sup>

### ASEAN's Wide-Ranging Extra-regional Activities

From the outset, ASEAN has been very active in its “extra-regional cooperation”. In fact, it has achieved far more progress in the area of extra-regional cooperation than its intra-regional cooperation. Over the years ASEAN has been highly successful in developing a unified perception of many regional and global political, economic and security issues. Through the ASEAN-Post Ministerial Conference (PMC), ASEAN has maintained formal dialogues with all the world's important countries: Australia, Canada, China, EU, India, Japan, Russia and the United States. And through its multilateral ASEAN Regional Forum (ARF), ASEAN has made significant contribution to peaceful conflict resolution in the region as well as helped consolidate the existing security architecture in Asia.

In the wake of the 1997 Asian financial crisis, ASEAN expanded its scope of regional cooperation by establishing another multilateral framework, known as “ASEAN plus Three” (APT), with its Northeast Asian neighbours of Japan, China and South Korea. In particular, the APT launched the Chiang Mai Initiative (CMI) in 2001, with measures for a stronger regional financial architecture as a way to prevent the recurrence of another regional financial crisis.

The multilateral frameworks have, in turn, spawned many organisations and mechanisms under Track I (intergovernmental processes), Track II (organisations and civil societies linked to the government), and Track III (mainly NGOs) for wide-ranging regional cooperation activities or initiatives in both formal and informal areas. They include non-traditional security cooperation related to fighting organised crimes, managing pandemics and infectious diseases, climate change, energy security and so on. These are mostly important regional issues affecting not just individual ASEAN states but also countries outside the region. ASEAN just provides a convenient and effective platform for all the interested parties to get together to tackle these vital issues and problems.

Suffice it to say that ASEAN has actually made much more progress in a wide range of extra-regional cooperation activities than intra-regional economic cooperation. For some ASEAN countries, regional economic cooperation may be a

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<sup>12</sup> For more discussions on this topic, see Lu Guangsheng, “Assessment on Performance of ASEAN Economic Integration”, *International Review* (Autumn 2006, Vol. 44); and Helen Nesadurai, “The Association of Southeast Asian Nations (ASEAN)”, *New Political Economy* (Vol. 13, No. 2, June 2008).

desirable long-term goal, but it may not produce immediate and significant benefits for them, especially during the early stages. For the less developed ASEAN states in particular, regional economic cooperation schemes may not even claim high priority in their domestic economic and social development. For any regional economic cooperation scheme to be viable, all member states have to accept some amount of adjustment costs in the initial phases. The problem of uneven distribution of potential benefits and costs is also a real one. Any regional cooperative endeavour is apt to produce varying impacts on member countries in regard to their foreign trade patterns, production structures, and employment effects. Member states will naturally extend their full cooperation only if they perceive an equitable share of the gains. Some participating states tend to perceive that other member states with a more dynamic and outward-looking economy will stand to reap greater gains. This also explains why many regional economic cooperation schemes have involved a long process of negotiation and horse-trading.

In contrast, the benefits of many extra-regional cooperation schemes to the member states can be immediate, often with little or no adjustment cost. Not surprisingly, ASEAN's extra-regional cooperation in the non-economic areas has been so much more effective and smooth going. Largely because of its involvement in those extra-regional activities, ASEAN has over the years become a highly visible regional grouping in the world, with a lot of political clout.

### **The ASEAN Way of Organising Regional Cooperation**

It has often be argued that ASEAN has owed its survival and continuing existence to its special techniques of organising regional cooperation, commonly known as the ASEAN Way. There is no clear definition to such an abstract term as the "ASEAN Way". It has been broadly understood to be the "Southeast Asian Way" of doing things, based on the region's mainstream socio-cultural norms of compromise, consensus, tolerance and mutual respect. Translated into the business of regional cooperation and community building, the ASEAN Way is much like an implicit code of conduct rather than as a set of explicit rules and procedures. Thus, in the process of regional cooperation, it emphasises compromise through formal and informal consultation, consensus-based decision making, and avoidance of strict reciprocity, hard legalisation and rigid implementation time frame.

In the political context, the ASEAN Way is underpinned by the strong desire of the member states to maintain their sovereignty on the one hand and also the need to maintain peaceful intra-ASEAN relations on the other. ASEAN was first formed at the time when the member states were in the process of nation-building, with some also having a weak statehood. Hence, all member states put a heavy premium on sovereignty and independence. Accordingly, ASEAN's first move towards concrete regional cooperation was the conclusion of the Treaty of Amity and Cooperation (TAC) in 1976. From the outset, the ASEAN Way therefore endorsed the respect for sovereignty and territorial integrity of all member states, and the principle of equal rights and non-interference in internal political affairs of member states.

Looking back, the ASEAN Way as a kind of behavioral norm had made it possible for ASEAN to survive as an organisation in its difficult initial years, given its divergent socio-political and economic backgrounds and many outstanding bilateral

conflicts. The ASEAN Way might not be the most desirable way, but it is an effective means of achieving the paramount objective of keeping ASEAN going. Subsequently, as ASEAN had consolidated itself and started to grow, the ASEAN Way, emphasising consultation and consensus, has allowed member states to discuss in an informal manner their shared interests while avoiding conflicting regional issues. In this way, ASEAN has been slowly and gradually pushing ahead with its regional cooperation activities, sometimes even in an open-ended manner.

Not just contributing to a good relationship among member states, the ASEAN Way has also been useful and effective for ASEAN economic integration. As noted earlier, many Third World regional groupings had collapsed precisely because they were highly institutionalised, with their regional schemes highly structured with ambitious goals and a rigid time table for implementation. Once something failed to perform, the whole programme would collapse. This is the exact opposite of the ASEAN Way of organising regional activities.<sup>13</sup>

In its early years ASEAN had introduced some specific regional schemes for regional cooperation such as the preferential trading arrangements, ASEAN industrial projects, and ASEAN industrial complementation scheme. They were not successful, but their lack of success had not pulled down ASEAN, thanks to the operation of the ASEAN Way. Some ASEAN's economic cooperation programmes did have specific time frames, but the ASEAN Way allowed flexibility in implementation. The specified time frame can be pushed back as in the case of the AFTA, and it can also be put forward, as in the case of accelerating the implementation of the AEC from Vision 2020 to Vision 2015.

Overall, the ASEAN Way has greatly facilitated ASEAN's past cooperation efforts. But there are costs and side-effects to ASEAN for operating the ASEAN Way. Its major negative results are slow progress towards regional cooperation. Because of the ASEAN Way, ASEAN has failed to galvanise its efforts and determination to build up a strong momentum for any significant breakthrough in regional cooperation. After over four decades of its existence, ASEAN remains a loosely integrated grouping, with little substantive internal cohesion. By and large, member states still refuse to subordinate sovereignty and independence to the common regional good.

Over the longer run, it is hard to see how the ASEAN Way can continue to function without adaptation and changes. As the ASEAN economies get more developed and the ASEAN organisation grows more mature, regional activities are bound to become more institutionalised and the ASEAN community as a whole becomes more rules-based. The working of ASEAN Way will get diluted.

Specifically for the coming Vision 2015, the envisaged AEC is facing enormous challenges. Many ASEAN economies have barely recovered from the global financial crisis. With rising global economic uncertainty, it is hard to see how the ASEAN economies could build up a sufficiently strong economic foundation to launch the single market within such a short time span of four years. The ASEAN Way, with great flexibility as its operating philosophy, might come in handy to

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<sup>13</sup> For a further discussion of this topic, see John Wong, "ASEAN's Experience in Regional Economic Cooperation", *Asian Development Review* (Vol. 3, No. 1, 1985).

salvage the situation and provide a way out for the ASEAN leaders. One likely scenario is to push the AEC back to Vision 2020. The other could be a diluted version of a “FTA-plus” AEC, operating under the principle of “Ten Minus X” (allowing some ASEAN members to opt out). The other is a further diluted one under the principle of “Two plus X” (just a few ASEAN economies to go ahead).

That is the ASEAN Way! But it is also the basic mechanism that has kept ASEAN going and constantly evolving in the EA region that is economically very dynamic but politically and socially highly divergent.

### **Some Distinguishing Features of East Asia Cooperation**

EA is one of the world’s most heterogeneous regions in terms of culture, language, religion, ethnicity, history and tradition. Great disparity also exists between EA countries in respect of physical area, population size and stages of economic development. Such economic and social discrepancies among states often stand in their way of organising regional cooperation.

Even more seriously, EA used to be a turbulent region, with many historical discords and on-going political frictions between EA countries. Before the coming of international detente, EA was a region of wars and many other forms of conflicts. Before WW-II, most of the region had been colonised by different colonial powers. Japan launched the Pacific War in the 1930s and invaded other EA countries. After the War, the region became the battlefield of the Cold War, which actually gave rise to two “hot” wars (the Korean War and the Vietnam War).

As legacies of their past conflicts and hostilities, some EA countries today still carry lingering bilateral problems with each other, e.g. the continuing suspicion among Japan, China and Korea, and that between China and Vietnam. As discussed earlier, Japan’s rise in the region was riding on America’s coattails. China’s rise today is still being quietly resisted by other EA countries, particularly Japan. Mutual trust remains a scarce commodity in the region. The rise of Japan and China has brought up the issue of whether “one mountain can have two tigers”. Most recently, the territorial disputes over the South China Sea among several EA claimant states have flared up as a potential hot spot.

While “politics is cold” in the region, its “economics is hot”. Economically speaking, EA has been making impressive progress towards greater integration through its open, market driven process, i.e. this is done in terms of trade and investment, and many other forms of development cooperation. Increasingly, EA is becoming the most promising regional grouping after the EU.

As already mentioned earlier, EA increasingly looks like a “natural and compact economic grouping” with strong internal dynamics for regional economic integration. This is because its different components are economically complementary with each other: Japan is highly complementary with its northeast neighbours and also with ASEAN; ASEAN as commodity exporter complements the manufacturing exporter of China; and the rise of regional production networks has further strengthened regional trade and investment flow.

Geography is another positive factor for EA integration. Both Northeast Asia and Southeast Asia as a region are quite compact by themselves, with many countries contiguous with each other. In comparison, other regions such as South America face serious challenges from connectivity.

Operationally speaking, several critical factors have contributed to EA's success in economic integration. First, for many decades, the region has experienced dynamic economic growth, and successful economic development has greatly facilitated the regional integration process. Second, the region is blessed with two powerful regional engines of growth, first Japan and then China. Most Third World economies are externally integrated, which works against their regional integration. EA is fortunate enough to have Japan and China to provide the regional source of trade and investment, as evidenced in their 50% contribution to intra-regional trade.

Last but not least, EA has ASEAN as the formal body of regional cooperation, which serves as a base for numerous intra-regional and extra-regional cooperation programmes. Above all, the special technique of regional cooperation in EA as embodied in the ASEAN Way has been conducive to long-term cooperation efforts by patiently building up consensus and understanding. All in all, some aspects of EA's experience of regional economic cooperation should be instructive for South America.



**Table 1 East Asian Economies: Performance Indicators**

Countries	Population (Mn)	GDP Per Capital (US\$)	Growth of GDP (%)							
	2009	2009	Total GDP (US\$ bn) 2009	1960-70	1970-80	1980-90	1990- 2000	2000-08	2009	2010
China	1,335	3,734	4,984	5.2	5.5	10.3	9.7	10.4	9.2	10.3
Japan	128	39,727	5,068	10.9	4.3	4.1	1.3	1.6	-5.3	3.9
South Korea	49	17,078	833	8.6	10.1	8.9	5.7	4.5	0.2	6.2
Taiwan	23	18,500	423	9.2	9.7	7.9	5.7	4.1	-4.0	10.5
Hong Kong	7	30,065	210	10	9.3	6.9	3.8	5.2	-3.0	7.5
<b>ASEAN-10</b>										
Brunei	0.4	26,486.0	10.8	-	-	-	2.1	1.8	-0.5	1.0
Cambodia	15.0	692.6	10.4	-	-	-	6.4	9.2	0.1	5.5
Indonesia	231.4	2,363.6	546.9	3.9	7.2	6.1	3.8	5.2	4.5	6.1
Laos	5.9	910.5	5.6	-	-	-	6.1	6.9	7.6	8.0
Malaysia	28.3	6,822.0	193.1	6.5	7.9	5.3	6.5	5.5	-1.7	7.2
Myanmar	59.5	419.5	25.0	-	-	-	6.1	12.6	4.8	3.3
Philippines	92.2	1,749.6	161.4	5.1	6.0	1.0	3.3	5.1	1.1	7.3
Singapore	5.0	36,631.2	182.7	8.8	8.3	6.7	7.4	5.8	-1.3	14.5
Thailand	66.9	3,950.8	264.3	8.4	7.1	7.6	3.8	5.2	-2.2	7.8
Vietnam	87.2	1,119.6	96.3	-	-	-	7.3	7.7	5.2	6.8

Note: For Growth of GDP (%), the figures for Brunei, Cambodia, Laos, Vietnam and Myanmar for the years 1990 to 2008 had been computed from the data retrieved from Asian Development Bank website. The data for 2009 are from the ASEAN website. The data for 2010 are authors' compilation from Economist Intelligence Unit, *China Daily*, *Singapore Statistics* and *The Star*.

Sources: ASEAN Website <http://www.aseansec.org/19226.htm>; Asian Development Bank website, [http://www.adb.org/Documents/Books/Key\\_Indicators/2010/Country.asp](http://www.adb.org/Documents/Books/Key_Indicators/2010/Country.asp); Economist Intelligence Unit website; *China Daily*; *Singapore Statistics*; *The Star*.

**Table 2(A) Origins and Destinations of East Asian Intraregional Trade**

Origin of Regional Exports	Year	Total Exports (US\$ Million)	Share of Regional Exports Designated For (%)							
			Japan	China	Korea	Taiwan	Hong Kong	Singapore	ASEAN-4*	EA SUM
<b>Japan</b>	1980	130441		3.9	4.1	-	3.7	3	7	21.7
	1988	264856		3.6	5.8	5.4	4.4	3.1	4.9	27.2
	2000	479249		6.3	6.4	7.5	5.7	4.3	9.5	39.7
	2004	565675		13.1	7.8	7.4	5.3	3.2	9.1	46.9
	2008	786430		15.9	7.6	5.9	5.1	3.4	8.7	46.6
<b>China</b>	1980	18099	22.3		-	-	24.1	2.3	4.3	53
	1988	47540	16.9		-	-	38.4	3.1	2.8	51.2
	2000	249203	16.7		4.5	2	17.9	2.3	3.7	47.1
	2004	593439	12.4		4.7	2.3	17	2.1	4.1	42.6
	2008	1429000	8.1		5.2	1.8	13.4	2.3	4.4	35.2
<b>Korea</b>	1980	17505	17.4	-		-	-	1.5	4.6	23.5
	1988	60696	19.8	-		1.6	5.9	2.2	2.8	32.3
	2000	172268	11.9	10.7		4.7	5.2	3.3	7.2	44
	2004	253845	8.5	19.6		3.9	7.1	2.2	5.8	47.1
	2008	422007	6.7	21.7		2.7	4.6	3.9	5.8	45.4
<b>Taiwan</b>	1980	-	-	-	-		-	-	-	-
	1988	60667	-	3.7	-		-	-	-	-
	2000	148321	11.2	16.9	2.5		21.1	3.7	7.4	52.9
	2004	182370	7.6	19.9	3.1		18	3.7	7.4	59.7
	2008	240444	7.3	27.8	3.6		13.6	4.9	8.1	55.3

**Table 2(B) Origins and Destinations of East Asian Intraregional Trade**

Origin of Regional Exports	Year	Total Exports (US\$ Million)	Share of Regional Exports Designated For (%)							
			Japan	China	Korea	Taiwan	Hong Kong	Singapore	ASEAN-4	EA SUM
Hong Kong	1980	19,730	6.1	34.9	1.5	2.5		2.6	0.5	48.1
	1988	63,163	5.2	34.4	1.0	2.5		2.3	0.3	45.7
	2000	201,860	5.5	34.6	1.9	2.5		2.3	0.5	47.3
	2004	259,314	5.3	44.0	2.2	2.4		2.2	3.3	59.4
	2008	362,675	4.2	48.5	1.8	1.9			3.4	61.8
Singapore	1980	19,375	8.1	1.6	1.5	-	7.7		20.8	39.7
	1988	39,306	8.6	3.0	2.0	2.8	6.2		20.3	42.9
	2000	137,804	7.5	3.9	3.6	6.0	7.9		24.9	53.8
	2004	179,615	6.4	8.6	4.1	4.6	9.8		21.7	55.2
	2008	338,202	4.9	9.2	3.6	2.8	7.9		28.7	58.9
ASEAN-4	1980	47,100	34.5	1.1	1.7	-	1.9	11.8		51.0
	1988	80,080	19.5	2.2	2.8	2.0	2.9	9.0		38.4
	2000	269,099	16.0	3.4	3.7	4.2	4.2	12.6		44.1
	2004	334,108	15.0	6.8	2.9	3.5	5.1	10.4		43.7
	2008	579,541	13.2	9	4	1.8	4.3	9.5		41.8

Source: *Direction of Trade Statistics Yearbook 2009, IMF*.

Taiwan's data is obtained from Bureau of Foreign Trade's Website.

\* ASEAN-4 denotes Indonesia, Malaysia, the Philippines and Thailand.

**Table 3 East Asian Socioeconomic Development Indicators**

	Per-capita GDP (US\$)	Total Fertility Rate (Births Per Woman)	Average Life Expectency	Average Life Expectancy	Mortality Rate at Birth (per 1,000 live births)	Adult Literacy Rate (above 15 in age)	Gross Enrolment Ratio (%)								Human Development Index (New Scale)	
							Female		Male	Primary School		Higher School		Tertiary Education		Year
	2010	2010	Male 2010	2010	2009	2005-2009	2005-2009	Female	Male	Female	Male	Female	Male	2010	2010	
China	3,556	1.4	72	76	20	87	95	111	112	78	77	23	23	2008	0.663	91
Japan	32,600	1.2	82	85	2.8	99	99	100	100	101	10.1	54	62	2008	0.884	11
NIEs																
S. Korea	16,491	1.2	76	82	4.3	98	99	104	105	94	98	69	65	2008	0.877	12
Taiwan	15,552	1.2	75	81	5.4	89	96	102	100	99	98	85	79	2008	-	-
Hong Kong	24,626	1	79	85	2.6	91	97	105	111	86	86	34	33	2008	0.862	21
Singapore	35,022	1.1	77	81	2.3	91	97	95	96	73	75	40	47	2008	0.846	27
ASEAN-4																
Indonesia	2,142	2.3	68	73	30	89	95	116	112	74	73	32	19	2007	0.6	111
Malaysia	8,065	3	71	76	16	86	93	100	101	72	70	33	27	2007	0.744	59
Philippines	1,639	3.3	68	74	21	94	94	109	110	87	79	32	25	2007	0.638	100
Thailand	4,036	1.7	71	76	18	92	96	108	108	88	79	45	38	2007	0.654	87
India	946	2.7	65	67	51	51	75	109	114	49	53	10	14	2006	0.519	122

Human Development Index combines life expectancy, educational attainment and income indicators to give a composite measure of human development

Source: *CIA World Fact Book* (2011), United Nations Database, Asian Development Bank

**Table 4 Comparing East Asian Economies 1985 and 2010**

	Japan-Led EA-I, 1985		China-Led EA-II, 2010	
	World GDP Share (%)	World Export Share (%)	World GDP Share (%)	World Export Share (%)
<b>East Asia</b>	<b>15.2</b>	<b>24.2</b>	<b>23.4</b>	<b>29.0</b>
<b>Japan</b>	<b>(11.1)</b>	<b>(11.6)</b>	<b>(8.8)</b>	<b>(5.1)</b>
<b>China</b>	<b>(2.2)</b>	<b>(1.8)</b>	<b>(9.5)</b>	<b>(10.1)</b>
<b>USA</b>	<b>33.0</b>	<b>23.7</b>	<b>23.5</b>	<b>8.5</b>
<b>EU</b>	<b>-</b>	<b>-</b>	<b>25.9</b>	<b>12.0</b>

Source: World Bank.

**Table 5 Intra- And Extra-ASEAN Trade, 2009**

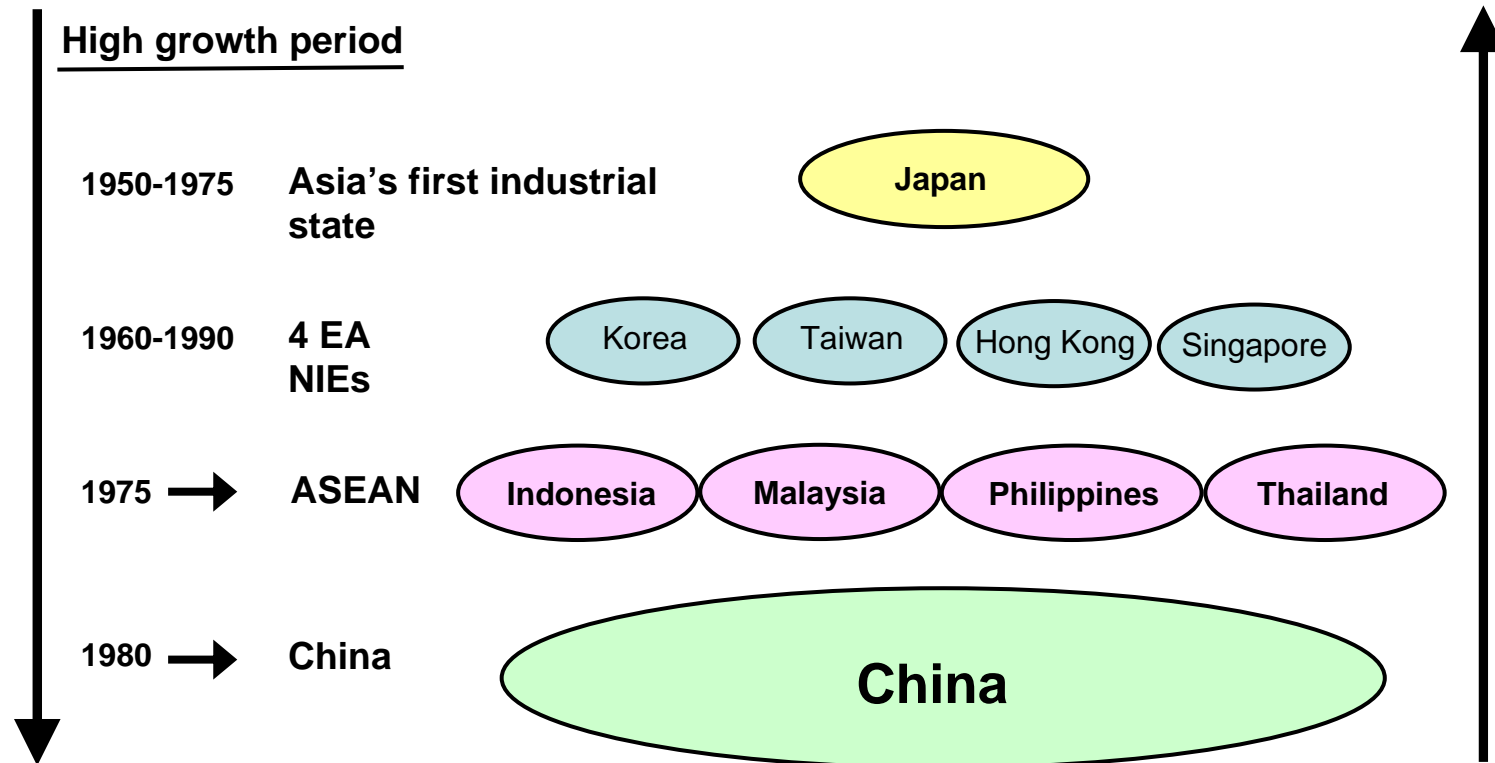
Value in US\$ million; share in percentage

Countries	Intra-ASEAN Exports		Extra-ASEAN Exports		Total Exports	Intra-ASEAN Imports		Extra-ASEAN Imports		Total Imports	Intra-ASEAN Trade		Extra-ASEAN Trade		Total Trade
	Value	Share to Total Exports	Value	Share to Total Exports		Value	Share to Total Imports	Value	Share to Total Imports		Value	Share to Total Trade	Value	Share to Total Trade	
Brunei	1,229.3	17.1	5,939.3	82.9	7,168.6	1,242.8	51.8	1,156.8	48.2	2,399.6	2,472.1	25.8	7,096.1	74.2	9,568.2
Cambodia	644.6	12.9	4,341.2	87.1	4,985.8	1,453.3	37.3	2,447.6	62.7	3,900.9	2,097.9	23.6	6,788.8	76.4	8,886.7
Indonesia	24,623.9	21.1	91,886.1	78.9	116,510.0	27,742.4	28.7	69,086.8	71.3	96,829.2	52,366.3	24.5	160,972.9	75.5	213,339.2
Laos	997.4	80.6	239.8	19.4	1,237.2	1,480.8	85.8	244.2	14.2	1,725.0	2,478.2	83.7	484.0	16.3	2,962.1
Malaysia	40,365.1	25.7	116,525.8	74.3	156,890.9	31,700.2	25.7	91,630.2	74.3	123,330.5	72,065.3	25.7	208,156.0	74.3	280,221.4
Myanmar	3,196.7	50.4	3,144.8	49.6	6,341.5	2,065.7	53.7	1,784.1	46.3	3,849.9	5,262.4	51.6	4,928.9	48.4	10,191.3
Philippines	5,838.4	15.2	32,496.2	84.8	38,334.7	11,561.1	25.4	33,972.9	74.6	45,533.9	17,399.5	20.7	66,469.1	79.3	83,868.6
Singapore	81,646.5	30.3	188,186.0	69.7	269,832.5	59,047.6	24.0	186,737.1	76.0	245,784.7	140,694.1	27.3	374,923.1	72.7	515,617.1
Thailand	32,490.6	21.3	120,006.6	78.7	152,497.2	26,759.5	20.0	107,010.1	80.0	133,769.6	59,250.1	20.7	227,016.7	79.3	286,266.8
Vietnam	8,554.8	15.1	48,136.2	84.9	56,691.0	13,566.7	19.6	55,664.2	80.4	69,230.9	22,121.5	17.6	103,800.4	82.4	125,921.9
<b>ASEAN</b>	<b>199,587.3</b>	<b>24.6</b>	<b>610,901.9</b>	<b>75.4</b>	<b>810,489.2</b>	<b>176,620.1</b>	<b>24.3</b>	<b>549,734.0</b>	<b>75.7</b>	<b>726,354.1</b>	<b>376,207.3</b>	<b>24.5</b>	<b>1,160,635.9</b>	<b>75.5</b>	<b>1,536,843.3</b>

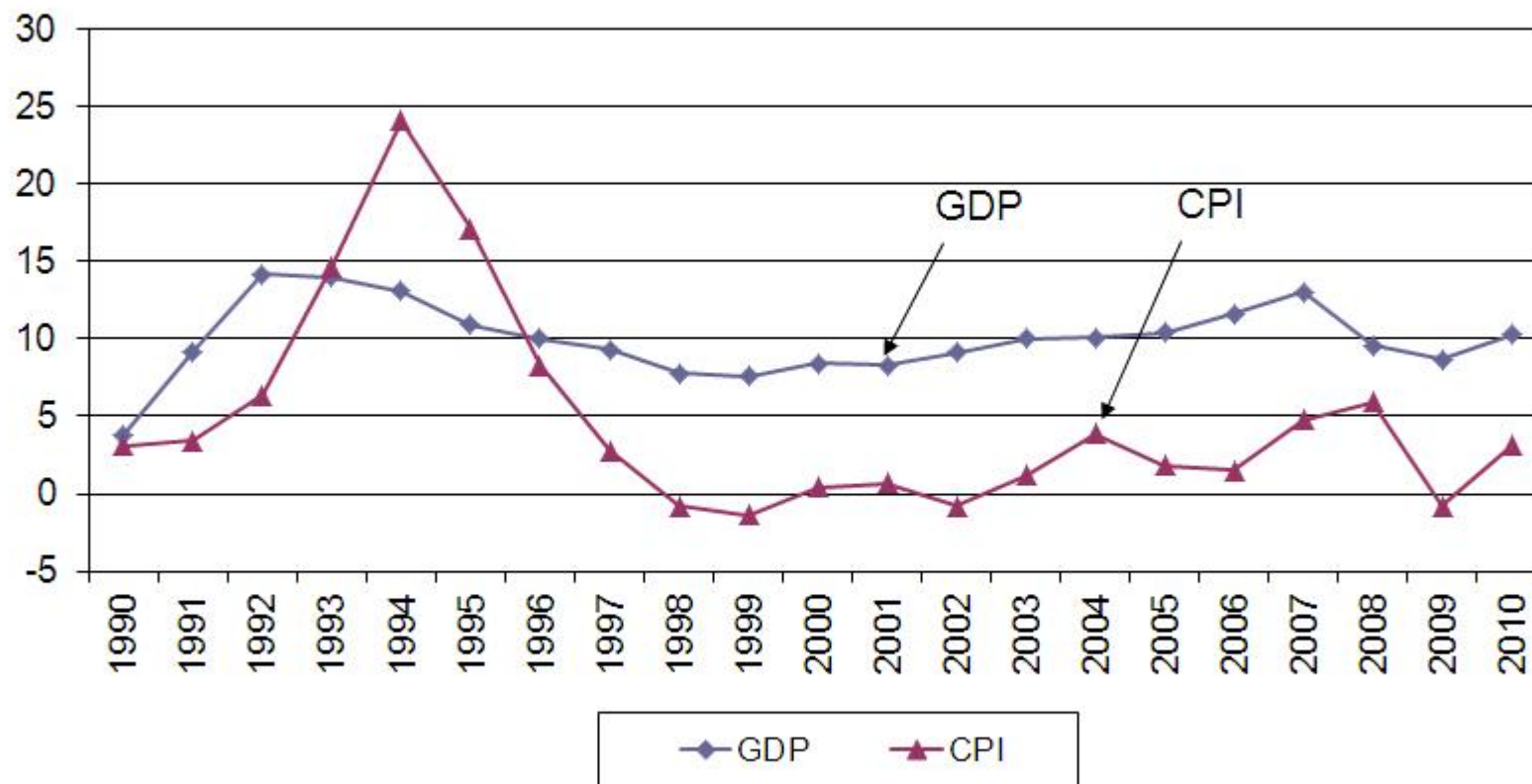
**Figure 1 Japan-Led “Flying Geese Pattern for EA-I’s Growth and Integration**

**Shifting  
comparative  
advantage**

**Industrial  
upgrading**



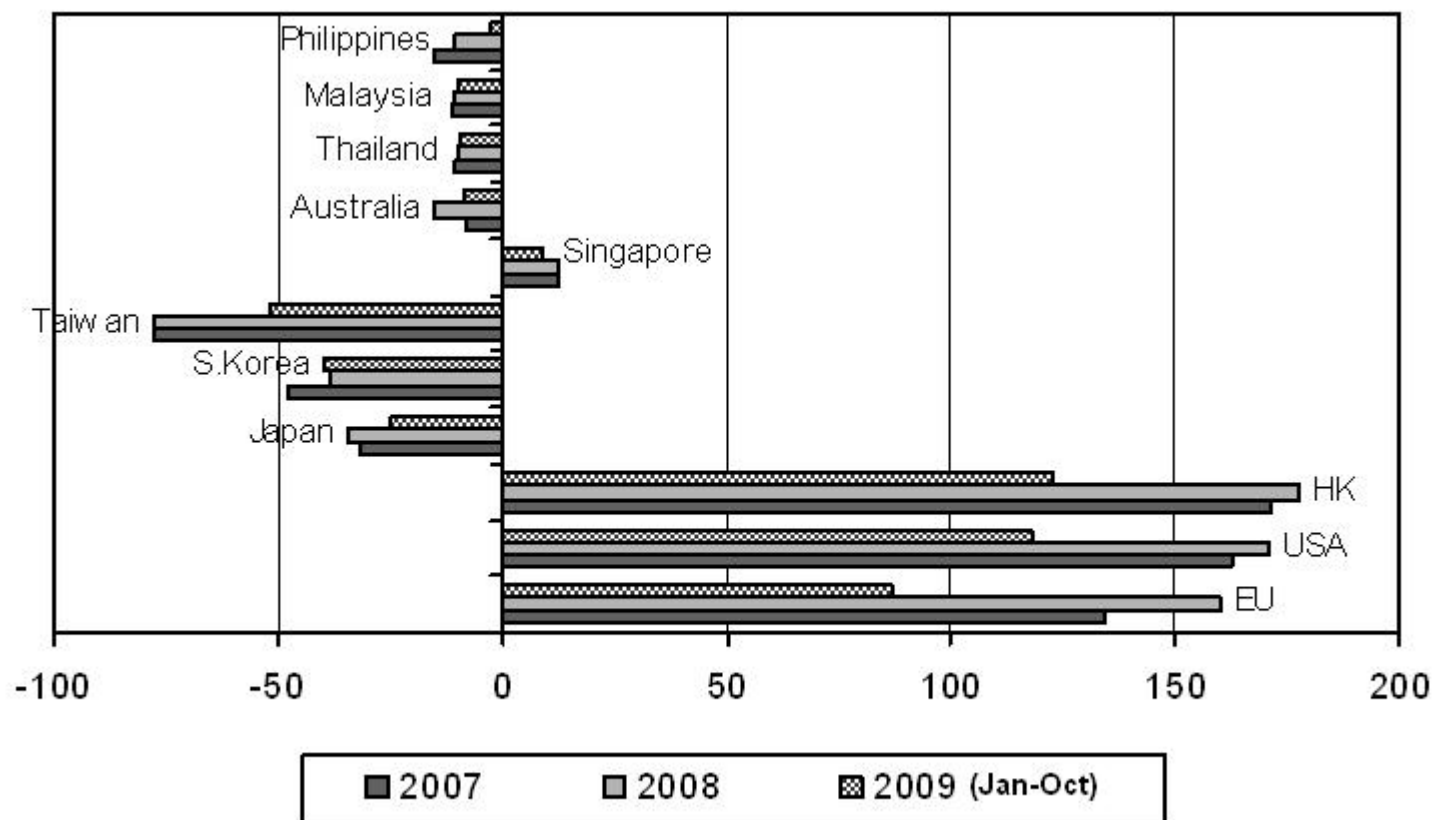
**Figure 2 China's Economic Growth and Inflation, 1978-2010**



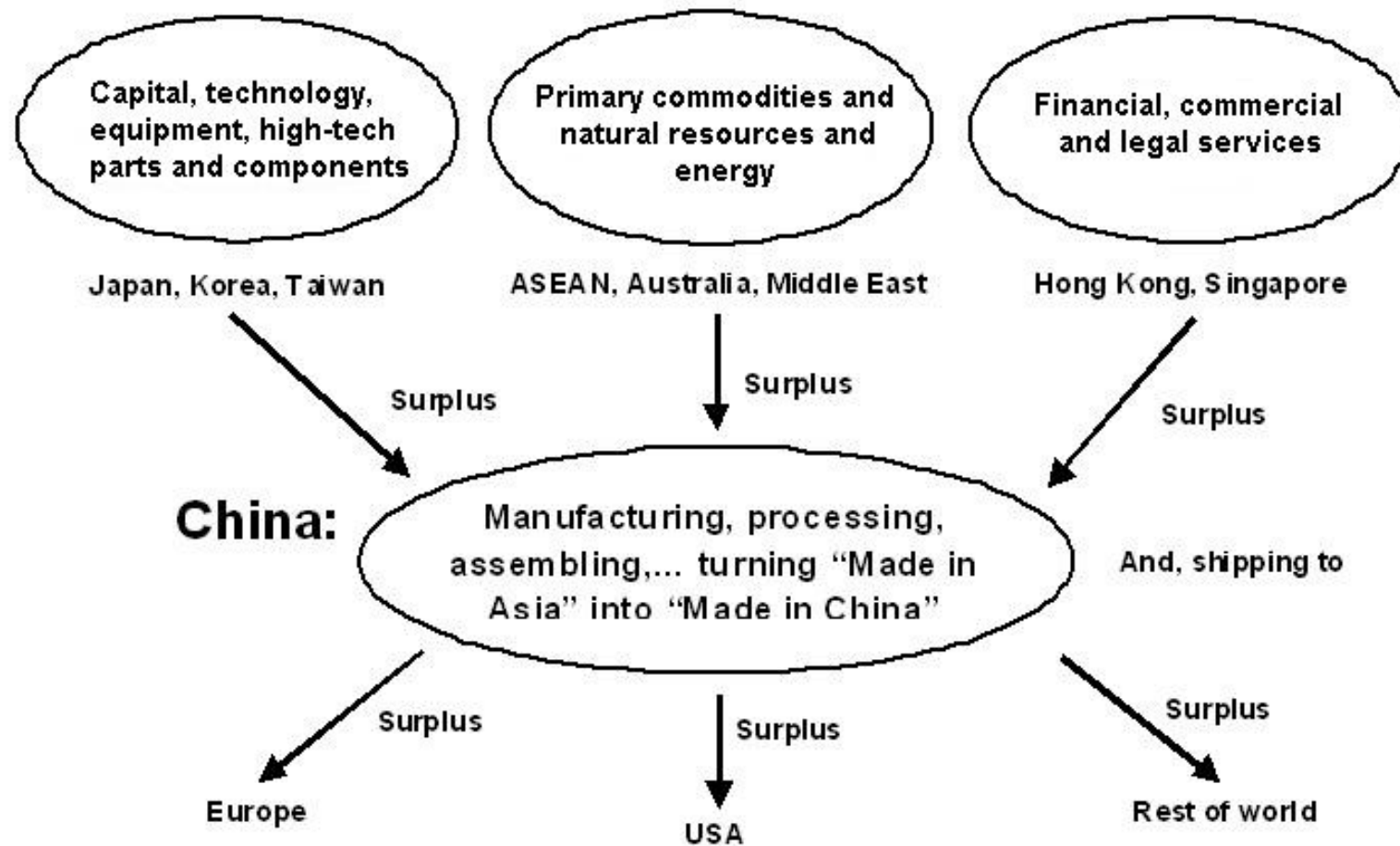
Source: NBS Database



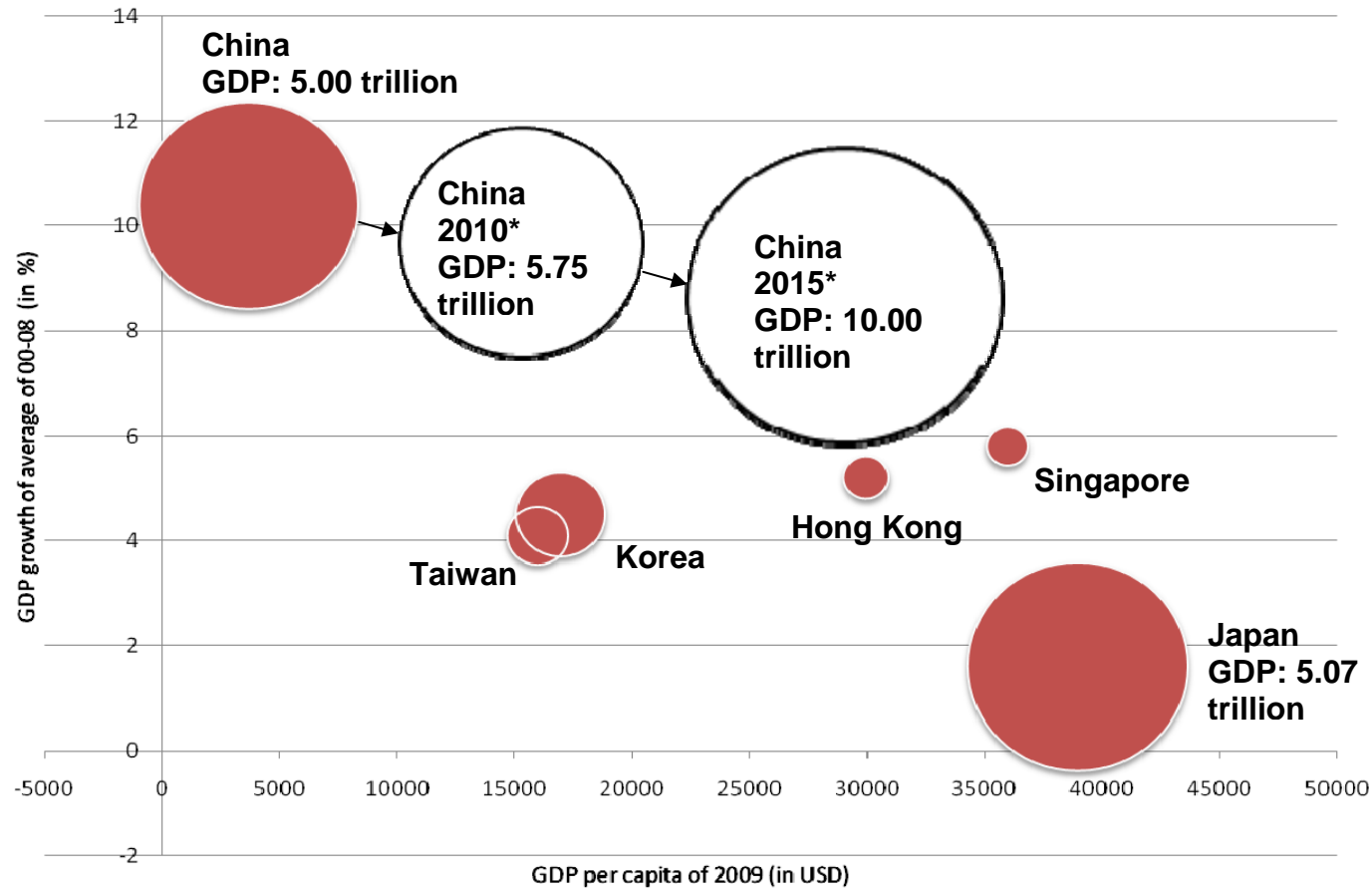
**Figure 3 China's Trade Balance with Selected Economies (US\$ Bil)**



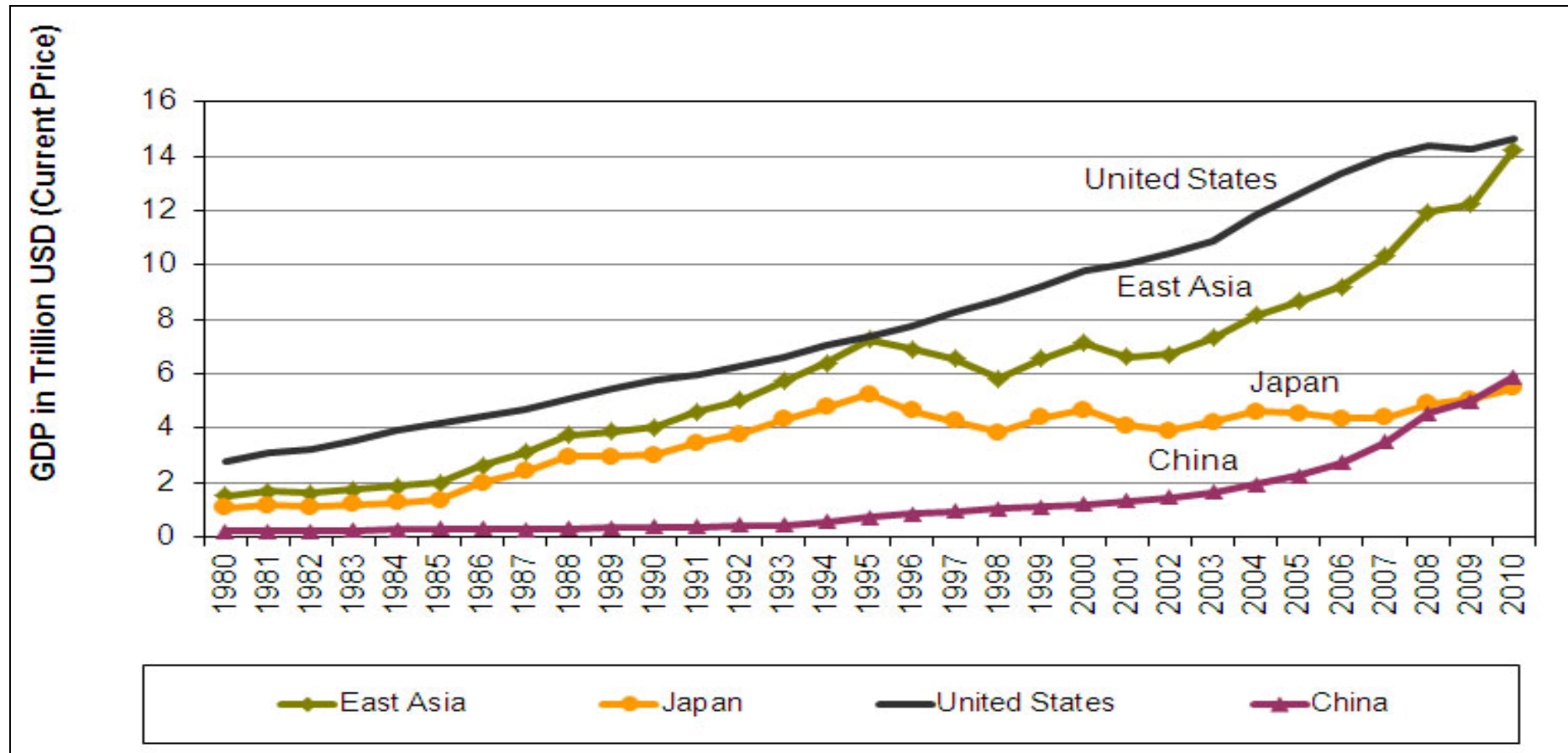
**Figure 4 The Pattern of China-Led Regional Growth and Integration**



**Figure 5 Comparing East Asian Economies, 2010**



**Figure 6 GDP of East Asia, Japan, China and the United States since 1980**



Source: World Bank Database

\* East Asia includes China, Japan, HK, Taiwan (ROC), Korea, Singapore and ASEAN4 (Malaysia, Indonesia, Thailand and the Philippines)