

Promotion of Competitiveness for ASEAN Integration (COMPETE)



Context

Removing barriers to trade in services and setting up more effective competition regimes are two important elements of the ASEAN Economic Community (AEC) in creating a common and viable market. The new ASEAN Trade in Service Agreement (ATISA) was signed in April 2019. It encourages a shift from a positive list approach to a negative list approach for the negotiations of further liberalization of services. In a negative list approach, all sectors are by default open to foreign service suppliers. Member States can set exemptions in the annexes of ATISA and determine sectors or subsectors which they do not wish to fully liberalise. As Cambodia, the Lao People's Democratic Republic (PDR), Myanmar and Vietnam (CLMV) do not have much experience with negative list approaches, they require more work and time to build up sufficient institutional and human capacities.

A reduction of trade barriers usually contributes to greater competition. However, opening service markets may also increase the risks of market concentration and abuse of market power. To mitigate these risks, further steps for liberalising trade in services require complementary activities to strengthen national competition regimes.

Objective

To enable CLMV countries to apply an investment-conducive and pro-competitive implementation of ASEAN agreements in the areas of "trade in services" and "competition policy"

Approaches

The project is supporting the Initiative for ASEAN Integration (IAI). The IAI was launched by ASEAN in 2000 to support ASEAN's newer Member States (Cambodia, Lao PDR, Myanmar and Vietnam) in implementing ASEAN commitments and agreements for further regional integration.

- At the ASEAN level, the project supports the implementation of key ASEAN strategies in the fields of competition policy and trade in services. The project works together with the relevant ASEAN sector bodies, namely the ASEAN Experts Group on Competition (AEGC) and the ASEAN Coordinating Committee on Services (CCS).
- The project supports the four CLMV countries in improving institutional effectiveness, thus strengthening the institutions involved in the implementation of existing laws and ASEAN agreements on trade in services and competition.
- The project improves human resource development systems. For this purpose, suitably qualified staff are identified and trained in the responsible ministries and authorities in order to act as multipliers (trainers or mentors). In addition, the access to various learning materials (including e-tools) will be improved, including support for more in-depth national analyses and research in competition policy and trade in services.

Commissioned by: The German Federal Ministry for Economic Cooperation and Development (BMZ)

Countries: Cambodia, Lao PDR, Myanmar and Vietnam

Project partners: Association of Southeast Asian Nations (ASEAN)

Project duration: 2018 – 2021

More Information: www.thai-german-cooperation.info, www.asean-agrifood.org

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