

# DISPARITIES CHALLENGE ASEAN ECONOMIES



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Daniel Bont, exploreASEAN project team and supervisor. Photo: KB

© **Economic disparity is one of the most prominent characteristics of ASEAN which means the individual countries face many challenges in the process of economic development and integration. Manfred Rist, NZZ correspondent for South East Asia, however, also believed that the success stories in the development process of ASEAN members such as Vietnam sets a good example for others to follow and speed up their own progress. When the term ASEAN is mentioned, it needs to be used with careful consideration due to the significant diversity of the market region.**

“For instance, there is the problem of massive flows of economic refugees among nations due to large development gaps among the respective countries,” Rist explained. Tensions concerning the increase in immigration are becoming inevitable within and among states.

With a variety of cultures in the region, ASEAN countries share one common goal of development. Hence, while culture diversity might be an obstacle for economic development, Rist believes that this diversity does not pose the biggest threat for this process. The diversity in the

levels of economic development poses both opportunities and threats for ASEAN as a market region, as Daniel Bont, Senior Consultant with Switzerland Global Enterprise, pointed out.

**“Inter-trade among countries has been accelerated with a lot of growth observed in the last decades”.**

Bont shared his view on the diversity of ASEAN and its impact particularly on trade. At the same time, it is possible that some under-developed countries may suffer due to more unfavourable flows of products from other markets, which might encourage the use of undesirable trade barriers. “While ASEAN has its diversity with its pros and cons, China has the advantage of being one large single market”, as Bont drew an interesting comparison among the two emerging markets. The huge disparity within individual countries in ASEAN further differentiates the two market regions. Additionally, infrastructure differences among ASEAN countries add more complications when compared to that of China.