



SOCIAL: CONNECTIVITY

How can we improve infrastructure to enhance interconnectedness in ASEAN?

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Overview

Connectivity within ASEAN comprises three areas: physical, institutional and people-to-people connectivity, though this debate mainly focuses on the first area. Physical connectivity, which refers to the improvement of infrastructure critical to transport, communications and energy, is closely linked to one of the three pillars—ASEAN Economic Community (AEC)—of the ASEAN community. Well-established infrastructure facilities are, thus, critical to creating a single market and production base to enhance trade, investments, tourism and development (ASEAN Secretariat, 2014).

All three sectors of physical connectivity contributes towards the regional economic development and the objectives of the AEC. Transport infrastructure, classified into land, maritime and air transport, facilitates the transportation of goods and people within ASEAN. Energy infrastructure, including the electrical power and natural gas, supports numerous vital economic activities.

Information Communications Technology (ICT) infrastructure, which consists of fixed, mobile and satellite communication networks, the internet and computer software, facilitates information exchange and reduces the efficiency of businesses and trade-related transactions. Aligned with this objective of connecting ASEAN countries, all members have agreed on the adoption of the Ha Noi Declaration on the Master Plan of ASEAN Connectivity (MPAC) in 2010 (ASEAN Secretariat, 2010).

Timeline

<p>24 Oct 2009</p>	<p>15th ASEAN Summit in Cha-am Hua Hin, Thailand</p> <p>The importance of regional connectivity was first brought up by the ASEAN Chair at the 15th ASEAN Summit in Cha-am Hua Hin, Thailand, under the theme of “Enhancing Connectivity, Empowering Peoples”. It would contribute towards forging a competitive ASEAN community that is interlinked with the Asia-Pacific region. (ASEAN Secretariat, 2009)</p>
<p>28-30 Oct 2010</p>	<p>17th ASEAN Summit in Ha Noi, Viet Nam</p> <p>The Master Plan on ASEAN Connectivity was submitted and agreed on by all countries. The master plan highlighted issues in the current infrastructure landscape and laid out strategies that ASEAN countries</p>

	would collectively commit to enhance connectivity in ASEAN. (ASEAN Secretariat, 2010)
2011	ASEAN Infrastructure Fund (AIF) established The AIF was established by ASEAN and Asian Development Bank (ADB) to promote infrastructure development within ASEAN's developing countries. Both ASEAN and ADB contribute to the funds to finance AIF projects. The ADB also administers the funds and provide technical support for relevant projects. The AIF became fully operational in 2013. (Asian Development Bank, 2015)

Present Situation

Key projects highlighted by the MPAC with high impact in the enhancing of ASEAN connectivity include:

1. Land Transport
 - a. ASEAN Highway Network (AHN)
 - b. Singapore-Kunming Rail Link (SKRL)
2. Maritime Transport
 - a. In-land waterways
 - b. Port infrastructure and performance
3. Air Transport
 - a. Harmonising of air navigation systems and procedures
4. Energy
 - a. ASEAN Power Grid (APG)
 - b. Trans-ASEAN Gas Pipeline (TAGP)
5. ICT
 - a. Digital disparity among member countries

Outstanding Concerns

Progress on the MPAC has been hindered by the lack of funding and technical knowledge, obsolete transport infrastructure and disparate access to technology.

Acknowledging the present economic state and technical competence of ASEAN countries, the viability of completing all projects highlighted in the MPAC by 2020 may be in question. The ASEAN Highway Network (AHN) has missing links and below-standard roads in some ASEAN countries. The missing links alone totals 226 kilometres, in which most are in Myanmar (ASEAN Secretariat, 2010). An additional 5,300 kilometres of roads do not meet standards and are unable to handle the forecasted increase in industrial truck use (ASEAN Secretariat, 2010).

As a result, the region's transport infrastructure would restrict the growth of the ASEAN economy as the transport network is crucial to enlarging markets and establishing trade linkages. Moreover, the feasibility of large-scaled projects to be implemented within tight financial, labour, technological and time constraints is called into question due to the expanse of ASEAN countries. ASEAN's land area covers over 4.46 million cubic kilometres, which is around 3% of Earth's land mass (ASEAN Secretariat, n.d). With surrounding oceans being 3 times the size of the land, inter-country projects, such as the ASEAN Power Grid and the Trans-ASEAN Gas Pipeline (TAGP) would be difficult to implement due to the sheer distance to be addressed.

Due to the rapidly increasing demands of the global economy, which puts undue stress on transport infrastructure in the region, many member countries are at risk of having existing infrastructure being rendered obsolete. For instance, inland waterways transport in ASEAN is capable of reducing freight transport costs, especially since the region is blessed with some 51,000 kilometres of navigable inland waterways (ASEAN Secretariat, 2010). However, this transport mode has not been optimally utilised due to an underdeveloped network and poor conditions of river ports. In another, some airport facilities in ASEAN, particularly runways and warehouses, are inadequate to support the demands in air transport (ASEAN Secretariat, 2010). The inability to address this issue may limit the growth potential of ASEAN, thus reducing its ability to cope with the projected demands after the implementation of the AEC and to integrate into the global economy.

The disparate access to technology reduces the efficiency of the production lines across borders and limits ASEAN's ability to remain competitive. The access to ICT facilities is crucial in facilitating trade, investments and information exchange. It also reduces the cost of operating businesses and doing trade-related transactions (ASEAN Secretariat, 2010). The unequal distribution of digital access can be attributed to the low affordability of such technologies and the lack of competitiveness within the local ICT sector in less economically developed countries. As such, the population is unable to access these technologies to improve their skills to remain relevant and competitive in the respective industries.

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