

**Title:** Integration-led Foreign Direct Investment and the Recent Experience of ASEAN

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**Print Source:** Chulalongkorn Journal of Economics, May 2004, Vol.16, No.2,  
Pp.147-159

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**Abstract:** The recent experience of ASEAN with regard to FDI and its own regional integration is an interesting challenge for developing countries. ASEAN is an outward-oriented regionalism consisting mainly of developing economies. Thus, its cross intra-regional trade liberalization known as AFTA is aimed at engaging the market more with extra-regional trade and FDI. Recent change of regulations and incentives for FDI after the Asian crisis continue to favor outside investors to keep interesting in the region. Yet, potential benefits of ASEAN Investment Area (ATA), a vision projected for a free trading and investment area among ASEAN countries in 2020, are still to be realized through mutual recognition, national treatment, harmonization of rules and regulations for investors and new competitor for FDI with China. This study will investigate as to how far regional integration has encouraged FDI into the region.

*Key Words:* Regional Integration, Trade, FDI, ASEAN  
*JEL classification:* F15, F20, O53.

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