



## Increased monitoring is essential for Asian countries' smooth economic integration

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Asia is becoming more integrated than ever before and so requires increased monitoring. While integration has increased overall, the movement of goods, services, and people across borders has grown unevenly across sectors and subregions. Policy makers need to be guided through the complex process to benefit from a smooth and successful integration.

Economic integration in Asia sped up in the 1990s as neighboring countries worked together to utilize local sources of growth, reduce economic barriers, and open up their economies. Statistics on trade flows, foreign direct investment, tourism, and financial links tell a story of cooperation rather than competition.

Asia has managed to build economic corridors, such as the Greater Mekong Subregional Economic Corridor. The Association of Southeast Asian Nations or ASEAN Economic Community, established in 2015, helped deepen integration. ASEAN's influence has led to the growth of production networks and trade in manufacture of parts and components within Asia.

As regional trade agreements increased, so too did Asia's ability to invest in global manufacturing, and boost opportunities for more funding and capital. East Asia leads the way as the most integrated subregion, because of its extensive regional production networks and trade. The ASEAN Economic Community continues to prove itself as a driving force of regional economic cooperation.

Asia's integration is often tracked by checking compliance with regulations using a “scorecard approach.” This methodology highlights whether an economy has ratified and adopted agreements between countries then checks whether targets have been achieved.

The scorecard approach can also be tracked by monitoring impacts. For example, analyzing the effect integration has had on prices and per-capita income over time. However, more subtle indicators are also required.

Deep analysis requires consistent and up-to-date statistics from each country, supported by a network of national monitoring systems within subregions. Such a network of monitoring also needs the approval and commitment among all Asian countries.

This has been a summary of the ADBI [policy brief](#) by Aladdin Rillo, senior economist at the Asian Development Bank Institute in Tokyo at the time this policy brief was written, and Valdimir dela Cruz, an associate at Asian Development Bank Institute at the time this policy brief was written.

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