

Asean Economic Community: Opportunities and Challenges for Vietnamese Service Providers

Nguyen Tien Hoang⁽¹⁾

Received: 11 October 2018 | Revised: 12 December 2018 | Accepted: 20 December 2018

Abstract: At the end of 2015, ASEAN Economic Community (AEC) was established with the participation of 10 member states of the ASEAN. The establishment of AEC has brought new advancements in many aspects of the region as a whole, such as regional economy, market power, human development, political progress, social and cultural maintenance, etc. Particularly for AEC, it aims at creating a region that features one single market and production base, high competition, equitable economic development and full integration into the global economy.

For Vietnam, the establishment of AEC will provide ample opportunities for higher growth and deeper integration in the regional community. Beside opportunities, challenges are also manifested, which covers every field of our economy. This article focuses on opportunities and challenges for Vietnamese service providers, in the context of AEC. After analysing the content of trade in services under AEC and the current situation of Vietnamese service providers, fundamental opportunities and challenges are forecasted. This article shows the author's own viewpoints based on the collected data.

The research result shows that main opportunities are as follows: (1) market expansion and deeper economic integration, (2) more chances of product development and business growth, (3) great progress in

e-commerce services, and (4) high quality human resources. Main challenges are as follows: (1) loss of market shares in both domestic and regional market, (2) pressure of wasting favorable conditions for growth and being overwhelmed with new policies and regulations, and (3) pressure of continuous improvement and development. The opportunities and challenges require synchronised and feasible solutions from both Vietnamese state authorities and service providers.

Keywords: AEC, Challenges, Opportunities, Service providers.

JEL classification: F150.

Citation: Nguyen Tien Hoang (2018). Asean Economic Community: Opportunities and Challenges for Vietnamese Service Providers. *Banking Technology Review*, Volume 2, Issue 4, pp. 5-26.

✉ **Nguyen Tien Hoang / Email:** nguyentienhoang.cs2@ftu.edu.vn.
(1) Foreign Trade University, HCMC Campus;
No. 15, Road D5, Ward 25, Binh Thanh District, Ho Chi Minh City.

.....

1. Introduction

The foundation of regional economic communities around the world has pushed ASEAN state leaders to the decision of establishing one single market and a consolidated economic community for ASEAN member nations. In October 2003, at the Ninth ASEAN Summit in Bali, Indonesia, an agreement was reached amongst state leaders to build an

ASEAN Community (AC) by 2020 (Bali Concord II). This ASEAN Community encompasses 03 major pillars, namely the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC) and the ASEAN Social-Cultural Community (ASCC), amongst which the

AEC plays an essential role in establishing a single consolidated market for the region and facilitating collective economic growth. In 2007, ASEAN leaders decided