

**ABSTRACT**

**Thesis Title : Framework Agreement on the ASEAN Investment Area**

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**Degree Sought : Master of Law**

**Academic Year : 2001**

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Changes in the international economic competition coupled with the economic crisis have in no small measure directly affected foreign investment in the ASEAN Region. In view of this, the setting up of the ASEAN Investment Area by the 10-member countries, by no means a large market with its abundance of natural resources, to enhance the area's advantage in investment atmosphere in order to attract investments from countries within ASEAN itself and from outside will only be of great benefits to the region and to Thailand alike. In addition to its contribution towards the overall expansion of the investment market in the Region, to compensate for the loss of market shares resulting from the economic unification of other regions, the ASEAN Investment Area will help to strengthen the Region, making it one of the most effective investment regions and one of the most advantageous areas for trade and investment.

The ASEAN Investment Area (AIA) is the grouping together of member countries of Southeast Asia or ASEAN for economic reason with the purposes to increase in this Region investment from investors from within the area and outside of it, to enhance ASEAN's industrial efficiency and ASEAN's economic sector, to make it one of the regions most favourable for investment, taking into account the differences

in the levels of development and the economy of each member country within the Framework Agreement on the ASEAN Investment Area (AIA Agreement), which requires that member countries commit themselves to the opening of free industry and National Treatment (NT) by 2010 for ASEAN investors and by 2020 for other investors.

The ASEAN Investment Area set up under the Framework Agreement on the ASEAN Investment Area is not an international organization that enjoys the status as a person. It is only an ASEAN body set up for the development of economic cooperation among member countries within the frameworks of GATT and WTO of which most of member countries of ASEAN are members. The setting up of the ASEAN Investment Area is to be governed by the Framework Agreement on the ASEAN Investment Area, an international agreement under the operation of international law by which every member country of ASEAN is bound to accept and apply in its territory.

In practice, there are certain problems of complying with the commitments under the Framework Agreement on the ASEAN Investment Area arising from the Framework Agreement itself and from member countries, that member countries shall have to resolve together, in order for the ASEAN Investment Area to achieve the purposes for which it is set up and be beneficial to trade and investment for ASEAN and Thailand.

The setting up of the ASEAN Investment Area may however affect ASEAN and Thailand in certain areas. ASEAN and Thailand must develop themselves and amend relevant laws in order to be able to cope efficiently with future investment in such a way as to bring about maximum and real benefits to ASEAN and Thailand.