

Abstract

This thesis is a study of the legal mechanism on establishment of the ASEAN Economic Community (AEC). It studies on the evolution of important ASEAN economic cooperation and the concept concerning establishment of the AEC, operation step, operation structure, relevant obligations dispute settlement mechanism and legal effects to Member States.

The methodology of this thesis is based on basic documents and official documents of ASEAN such as minutes of the meeting, ASEAN Charter, obligations under the ASEAN Economic Community Blueprint (AEC Blueprint), articles and books in both Thai and English.

From the study, it finds that regarding establishment of the AEC, the important legal mechanism is ASEAN Charter, a constitution of ASEAN, governing Member States to oblige with specified obligations. Moreover, the ASEAN Charter has provisions certifying legal status of ASEAN as a juristic person. This makes ASEAN at present differ from the former ASEAN because of being more concrete association and having more clarity.

With regard to ASEAN's operation, ASEAN made the Declaration on the ASEAN Economic Community Blueprint (AEC Blueprint), a plan for establishment of the AEC and obligations for Member States. It specifies clear time limit with flexibility for Member States to agree in advance under the ASEAN-X formula (countries that are ready to liberalize trade in services for any specific sectors can do so, while other countries may join at a later stage whenever they are ready.) Its aim is to be the AEC, a single market and single production base with free flow of goods, services, investment, skilled labor and freer flow of capital, support ASEAN's competitiveness, narrowing development gap among Member States and generating ASEAN's participation in world community.

Additionally, another important factor making ASEAN achieve the said goal is efficient dispute settlement mechanism. ASEAN has developed its dispute settlement mechanism to have systematic step and appropriate time limit without political

intervention as well as have more concrete enforcement by using the Understanding on Rules and Procedures Governing the Settlement of Disputes as a model. This will make Member States confident that if there is a breach of obligations or noncompliance with obligations, Member State can submit a claim to dispute settlement process or ask the party to comply with specified obligations. Furthermore, it increases foreign investors' confidence that Member States will strictly conform to obligations, avoid using the existing dispute resolution mechanism and solve the problem with the compromise mechanism as in the past.

To successfully establish the AEC, Member States have to adhere to and comply with obligations strictly. They may have to amend national laws in order to be in accordance with obligations. State Members, moreover, must inform people so as to prepare themselves and benefit from the establishment of the AEC efficiently.