

**BRC RESEARCH REPORT No. 5**

**INTERMEDIATE GOODS TRADE IN EAST ASIA:  
ECONOMIC DEEPENING THROUGH FTAs/EPAs**

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## **PREFACE**

Bangkok Research Center (BRC) organized in 2010 two study groups: one on “Intra-regional Intermediate Goods Trade in the ASEAN and Mekong River Basin Countries (MRBCs)” and the other on “Economic Corridors and Industrial Estates, Ports, Metropolises and Alternative Roads in the Mekong Region”. The main purpose of the first study was to understand mutual interdependence in the production activities among ASEAN and China/Japan/South Korea (Korea hereafter) through the trade of intermediate goods. The region of ASEAN+6 (Australia, China, India, Japan, Korea and New Zealand) has formed FTA/EPA networks as a major production center and one of the largest demand markets for importing final goods. As a production center, it needs intermediate goods to make final goods. Therefore, intra-regional intermediate goods trade will increase when the foreign direct investment (FDI) of the above-mentioned six countries surrounding ASEAN swells through the FTA/EPA networks. The second study is explained in the succeeding series, No. 6.

This series (No. 5) intends to clarify the following points:

(1) Obtain more information on (a) industrial development policy, (b) usage of FTAs/EPAs and intermediate goods trade in ASEAN, especially with MRBCs, and (c) economic relationships (trade, FDI and ODA) within ASEAN and between China/Japan/Korea and ASEAN, especially with MRBCs.

(2) Compare the intermediate goods trade of China/Japan/Korea with ASEAN countries and their role in industrial development and technological upgrading with special emphasis on MRBCs.

(3) Discuss ways to balance development gaps and business environments

between forerunner and new members of ASEAN countries.

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