

PRACE NAUKOWE

Uniwersytetu Ekonomicznego we Wrocławiu

RESEARCH PAPERS

of Wrocław University of Economics

Nr 413

Dimensions of Regional Processes in the Asia-Pacific Region

edited by

Bogusława Drelich-Skulska

Anna H. Jankowiak

Szymon Mazurek



Publishing House of Wrocław University of Economics
Wrocław 2015

Copy-editing: Marta Karaś
Layout: Barbara Łopusiewicz
Proof-reading: Barbara Cibis
Typesetting: Beata Mazur
Cover design: Beata Dębska

Information on submitting and reviewing papers is available on websites
www.economia.ue.wroc.pl
www.wydawnictwo.ue.wroc.pl

The publication is distributed under the Creative Commons Attribution 3.0
Attribution-NonCommercial-NoDerivs CC BY-NC-ND



© Copyright by Wrocław University of Economics
Wrocław 2015

ISSN 1899-3192
e-ISSN 2392-0041

ISBN 978-83-7695-569-8

The original version: printed

Publication may be ordered in Publishing House
ul. Komandorska 118/120, 53-345 Wrocław
tel./fax 71 36-80-602; e-mail: econbook@ue.wroc.pl
www.ksiegarnia.ue.wroc.pl

Printing: TOTEM

Contents

Introduction	7
---------------------------	---

Part 1. Cooperation & Trade

Jerzy Dudziński: Commodity and income terms of trends as a measure of benefits in contemporary international trade (based on the example of selected Asian countries) / Cenowe i dochodowe <i>terms of trade</i> jako mierniki korzyści z handlu zagranicznego we współczesnym handlu międzynarodowym (na przykładzie wybranych krajów Azji).....	11
Anna H. Jankowiak: The role of regional trade agreements in the development of production networks in ASEAN / Rola stref wolnego handlu w rozwoju sieci produkcyjnych w ASEAN	21
Artur Klimek: Shanghai Free Trade Zone: expectations and reality / Szanghajska Strefa Wolnego Handlu: oczekiwania i rzeczywistość	31
Elżbieta Majchrowska: Will TPP undermine the multilateral trading system?/ Czy TPP zagrozi wielostronnemu systemowi handlowemu?	40
Günter Heiduk, Agnieszka McCaleb: What motivates China's cities to establish partner agreements with cities in Asia / Motywacje chińskich miast do ustanawiania porozumień partnerskich z miastami w Azji	52
Bartosz Michalski: On the way towards tighter Trans-Pacific Trade relations. The case of the U.S.-Republic of Korea Free Trade Agreement (KORUS FTA) / Na drodze ku zacieśnianiu transpacyficznych relacji handlowych. Studium przypadku umowy handlowej Stany Zjednoczone – Republika Korei (KORUS FTA).....	62
Marek Maciejewski, Wojciech Zysk: EVFTA agreement (between the EU and Vietnam). An opportunity for the development of Polish export / Umowa EVFTA (UE-Wietnam) szansą rozwoju polskiego eksportu.....	73

Part 2. Economy & Policy

Kazimierz Starzyk: At the source of Asian studies: contribution of professor Edward F. Szczepanik / U źródeł studiów azjatyckich – wkład profesora Edwarda F. Szczepanika	85
Sebastian Bobowski: Sino-Japanese duo in the Asian regionalism? Feasibility study of the “win-win” scenario / Duet chińsko-japoński w regionalizmie azjatyckim? Studium wykonalności scenariusza „wygrana-wygrana”	91

Lubomir W. Zyblikiewicz: The ASEAN and the great power / ASEAN i potęgi światowe	103
Katarzyna Żukrowska: Financial dimension in Asian cooperation / Finansowy wymiar współpracy azjatyckiej	118
Paweł Pasierbiak: Developments of Chinese foreign direct investments in the ASEAN (2000-2013) / Rozwój zagranicznych inwestycji bezpośrednich Chin w ASEAN (2000-2013).....	136
Karolina Łopacińska: Strategic alliance between China Development Bank and Barclays as a basis for the expansion of Chinese capital in the banking sector / Partnerstwo strategiczne China Development Bank i Barclays podstawą ekspansji kapitału chińskiego w sektorze bankowym	149
Małgorzata Dziembala: The significance of social innovation in promoting inclusive growth in Asian countries / Znaczenie innowacji społecznych w promowaniu rozwoju sprzyjającego włączeniu społecznemu w krajach Azji	160
Szymon Mazurek: Innovation Networks & Clusters of India / Sieci i klastry innowacji w Indiach.....	172

Part 3. Risks & Challenges

Jacek Pera: Assessment of risk of APEC countries based on the country risk classification method and selected indices of internal stability / Ocena ryzyka państw APEC na podstawie metody klasyfikacji ryzyka kraju i wybranych wskaźników ich zewnętrznej stabilności	189
Agnieszka Kukulka, Bartosz Totleben: Natural disasters and gross capital formation in Southeastern Asia / Katastrofy naturalne a akumulacja kapitału fizycznego w Azji Południowo-Wschodniej.....	203
Tomasz Serwach: The synchronization of business cycles in East Asia and Pacific Region. A network approach / Synchronizacja cykli koniunkturalnych w regionie Azji Wschodniej i Pacyfiku. Podejście sieciowe	211
Marcin Grabowski, Sławomir Wyciślak: Contagion and self-learning in Asian economic crises 1997-1998 and 2008-2010. Case Study of Malaysia / Problem zarażania i uczenia się w kryzysach azjatyckich 1997-1998 i 2008-2010. Studium przypadku Malezji.....	220

Introduction

Asia and Pacific's growing importance to the rest of the world is widely acknowledged today. The dynamics of Asian economic development have tremendously impacted global trade relationships and regional cooperation. Thus, it is with great pleasure that we deliver another volume of Research Papers on Asia-Pacific economic issues.

This year we present 19 papers by various authors who examine the Asia-Pacific region from different perspectives. We decided to group them into 3 Chapters:

- Cooperation and trade
- Economy and policy
- Risks & challenges

Papers grouped in the First Chapter describe newly emerging regional trade architecture. You will find there a few analyses of general nature and regional scope (J. Dudziński, A. H. Jankowiak, E. Majchrowska) and some studies on specific trade agreements (A. Klimek writes about Shanghai Free Trade Zone, A. McCaleb and G. Heiduk try to find out what motivates China's cities to establish partner agreements with cities in Asia, B. Michalski analysing U.S.-Republic of Korea Free Trade Agreement, while M. Maciejewski and W. Zysk look for opportunities for Polish exports in the trade agreement between EU and Vietnam).

The Second Chapter is the most diverse one. It is devoted mostly to economic policy issues (including financial sector). S. Bobowski, L. Zyblikiewicz and K. Żukrowska look at the main threads in Asian regionalism. P. Pasierbiak and K. Łopacińska analyse the movements of Chinese capital. M. Dziembała and S. Mazurek deal with the subject of innovation supporting growth and development.

Articles in the Third Chapter are focused on extraordinary events influencing economies and development of the Asia-Pacific region. J. Pera prepared an assessment of risk of APEC countries, based on the country risk classification method and selected indexes of internal stability. A. Kukułka and B. Totleben analyse the impact of natural disasters on gross capital formation in Southeastern Asia. Finally, T. Serwach and M. Grabowski and S. Wyciślak deal with synchronization of business cycles and contagion of crises.

We sincerely hope that all the articles will be of great value to those who want to understand the role of Asia-Pacific economies in the global economy. Through various interests of authors, our volume provides a valuable insight into the problems of this region.

All the papers were submitted for the 8th international scientific conference "Dimensions of Regional Processes in the Asia-Pacific Region" which took place in

November 2015 at Wrocław University of Economics, under the patronage of Polish Ministry of Foreign Affairs, Ministry of Science and Higher Education and the Ministry of Economy.

We appreciate your time and consideration, and we look forward to the submission of your own good work. We also appreciate the time and effort of our peer reviewers. Thank you!

Bogusława Drelich-Skulska, Anna H. Jankowiak, Szymon Mazurek

Anna H. Jankowiak

Wrocław University of Economics
e-mail: anna.jankowiak@ue.wroc.pl

THE ROLE OF REGIONAL TRADE AGREEMENTS IN THE DEVELOPMENT OF PRODUCTION NETWORKS IN ASEAN

ROLA STREF WOLNEGO HANDLU W ROZWOJU SIECI PRODUKCYJNYCH W ASEAN

DOI: 10.15611/pn.2015.413.02

JEL Classification: F0, F2, F4, F5, F6, N1, O1, O3, O5

Summary: ASEAN is a thriving agreement of 10 countries of Southeast Asia, which is a growing economic power, not only in its region, but also the entire global economy. The potential of ASEAN countries is being seen by transnational corporations. TNCs, by making foreign direct investments, invest where their production and service subsidiaries are. These units form production networks and the next countries of the ASEAN block are being covered by these networks. The development of production networks is affected by the phenomenon of integration in the region and the free trade zones created by the governments. The aim of this article is to present the role played by free trade areas in the development of production networks in the region of ASEAN countries. The existing bilateral agreements and newly created larger blocks of integration (i.e. mega FTAs), can facilitate the process of constructing and developing production networks through the free flows of goods and services.

Keywords: free trade agreements, production networks, ASEAN.

Streszczenie: ASEAN to prężnie rozwijające się porozumienie 10 państw Azji Południowo - Wschodniej, które stanowi coraz większą potęgę ekonomiczną, nie tylko w swoim regionie, ale i całej gospodarce globalnej. Potencjał, którym charakteryzują się państwa regionu, jest dostrzegany przez korporacje transnarodowe, które poprzez dokonanie inwestycji zagranicznych, lokują tam swoje jednostki produkcyjne i usługowe. Jednostki te tworzą sieci produkcyjne, które swoim zasięgiem obejmują kolejne kraje z bloku ASEAN. Na rozwój sieci produkcyjnych wpływ mają zjawiska integracyjne i tworzone przez rządy strefy wolnego handlu. Celem artykułu jest przedstawienie roli jaką odgrywają strefy wolnego handlu w rozwoju sieci produkcyjnych w regionie państw ASEAN. Istniejące umowy bilateralne oraz tworzone większe bloki integracyjne (tzw. mega FTAs) mogą ułatwić proces konstruowania i rozwijania sieci produkcyjnych poprzez wprowadzanie ułatwień w przepływach dóbr i usług.

Słowa kluczowe: strefy wolnego handlu, sieci produkcyjne, ASEAN.

1. Introduction

Transnational corporations, seeking to achieve global efficiency, divide their production chains to the individual elements and create production networks in different countries. This activity requires very careful management methods, since the elements manufactured in different places are then assembled into a final product in the next location. Creating a network of production is clearly evident in the ASEAN countries. This is dependent on many economic and social factors. The advantage of the region is the fact that among the group, there are countries remaining at various stages of development and possessing different resources, hence the appropriate configuration of the chain can be effective, both from the point of view of the company and the country which becomes part of a larger group.

Production networks are thus created, not only by corporations that combine their own branches, but the network elements are also companies operating on the local market, such as suppliers, subcontractors, companies providing specialized services and so on [Borrus et al. (eds.) 2000, p.1]. Production networks are usually created by corporations with a technological profile, including manufacturers of machinery and electrical equipment, transport equipment and precision engineering. Networks are also created in industries that do not require a significant commitment to technology, such as the textile industry [Ando, Kimura 2005, pp. 177-178]. Initially, the networks were created mainly in IT production and clothing industries, but then transnational corporations began to establish networks into many new industries, such as sports footwear, automobiles, televisions and radio receivers, cameras and watches, office equipment, power and machine tools, sewing machines, and publishing and printing [Athukorala 2010, p.1].

Asian production networks are much more complicated in their construction (compared to the US or European networks), which may also result from integration processes occurring in the Asia-Pacific and ASEAN, in particular. The aim of this article is to present the role played by regional free trade agreements in the development of production networks in the region of ASEAN countries. The existing bilateral agreements and newly created larger blocks of integration (i.e. mega FTAs) can facilitate the process of constructing and developing production networks through the free flows of goods and services.

2. Regional trade agreements of ASEAN countries

The phenomenon of creating regional free trade agreements is present in the world economy since the early 90s. As of October 2015, 619 regional trade agreements (RTAs) were recorded, among which 413 were in force. The vast majority of RTAs are the free trade agreements and partial scope agreements (representing 90% of all contracts), while customs unions account for 10% [WTO 2015].

The process of creating FTAs is particularly evident in the Asia-Pacific region. According to the data presented by Figure 1, in the 70's and 80's in the studied region there were only single FTAs, and in line with the prevailing world trend, their number has increased considerably in the 90's. In the year 1999, in the region there were 45 agreements and further 4 were proposed. In 2005, there were 124 FTAs under negotiations or signed and 37 were proposed. Ten years later, in 2015, the number of FTAs in Asia raised to 215 and 67 were proposed [ADB 2015].

Trade and economic relations in the region are formed on the basis of the creation of regional trade agreements, most of which are just bilateral free trade agreements. Therefore, bilateralism should be noted as the dominant method currently shaping international trade policy of the countries in the region.

Four main factors underline the recent spread of FTA initiatives in Asia: deepening market-driven economic integration in Asia, European and North American economic integration, the 1997–1998 Asian financial crisis and slow progress in the WTO Doha negotiations [Kawai, Wignaraja 2010, p. 4]. The advantage of bilateral agreements is also a consequence of the lack of the Final Act of the Doha Round of the World Trade Organization. The bilateral nature of the agreements concluded in the studied region can cause an adverse effect of shifting trade in the global economy. The liberalization of trade in the short term impacts the size and direction of foreign trade streams. On the other hand, in the medium and long term, creating integration groups causes changes in the structure of integrating economies. The effects of these changes that are noticeable in the long term, accelerate economic growth and are referred to as the dynamic effects of trade. Among these effects one can distinguish changes in the allocation of resources, intensified competition, increasing sales market allowing to achieve greater economies of scale, technology and knowledge transfer, inflow of foreign capital, as well as the increasing production specialization (inter and intra) [Czarny 2013, p. 65].

As previously mentioned, the Asia-Pacific region is characterized by a large number of bilateral agreements which are concluded between countries, creating a network of trade facilitation, but often also they provide a barrier to its development. The solution to this situation may be the establishment of groups including coverage over most of the region, so as to normalize the flow of goods and capital across the region.

There are several scenarios, so called mega FTAs, that are in various stages of negotiation (Fig. 2). Although the idea is right, during the process of creation a dominant FTA in Asia, overlapping economic interests of many countries needed to be taken under consideration – economic powers of the region and the less advanced countries, as well. This argument suggests that the process will be long-term and difficult.

The agreement which would cover over 57% of the world economic scale is the Free Trade Area of the Asia – Pacific (FTAAP). In this zone, there would be as nearly 40% of the world's population, 21 countries, including in particular the United

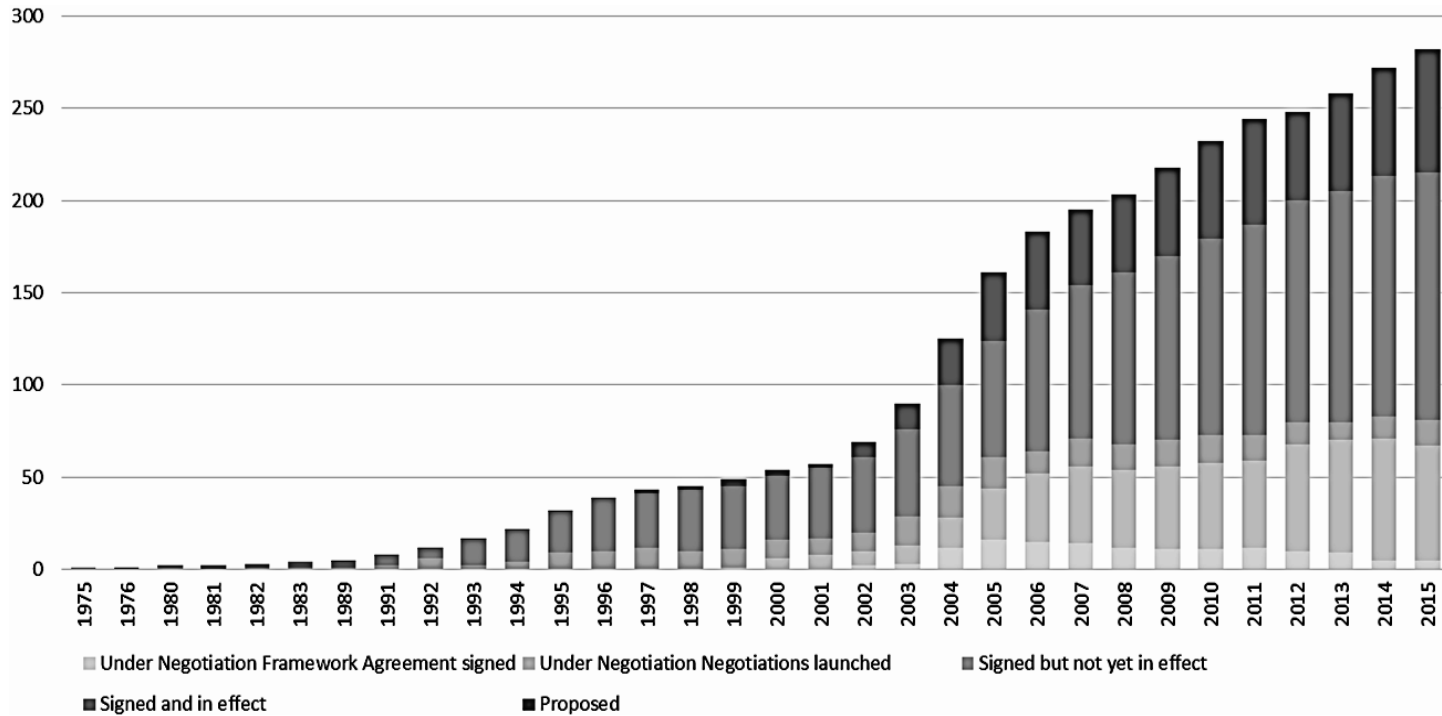
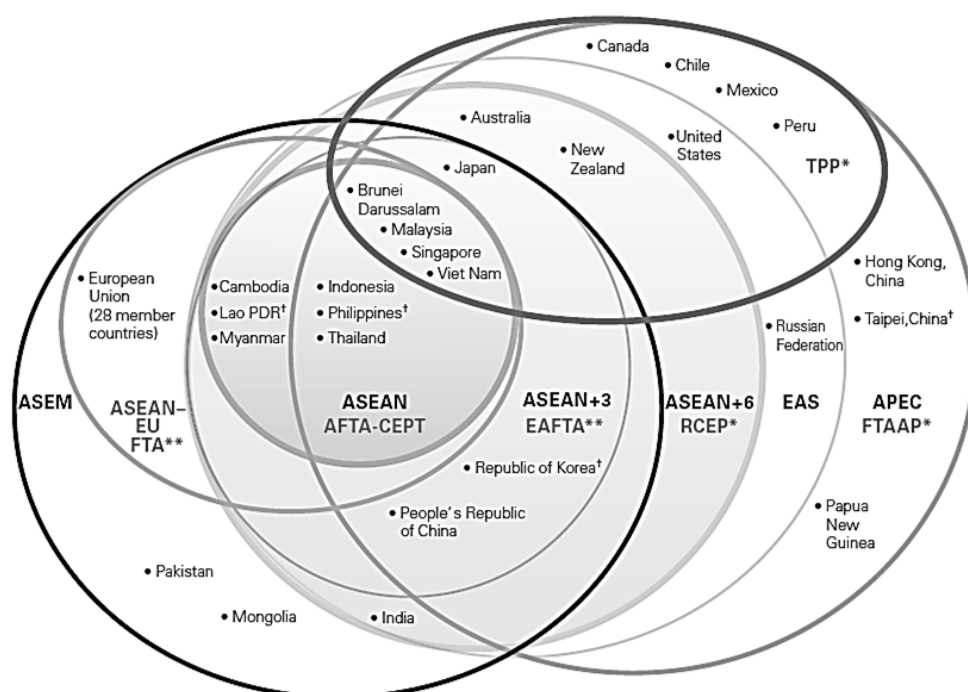


Fig. 1. FTAs in Asia and Pacific Region by Status (cumulative) as of 2015

Source: Own study, based on ADB [2015].

States, Japan, China, South Korea, Australia and the ASEAN states. FTAAP is the fulfillment of the will of APEC countries seeking to create a regional free trade area, which is discussed since 2004. It is an initiative strongly promoted by China, which was particularly apparent during the recent meeting of representatives of the APEC, which took place in November 2014 in Beijing. China's emphasis on the creation of this particular zone is justified, because the second zone – the Trans-Pacific Partnership (TPP) is heavily promoted by the US. Its scope wouldn't cover China and Russia. TPP, on which negotiations began in 2010, would involve 12 countries, including the United States and Japan, ASEAN and Australia, and would cover 37.5% of the world economic scale and more than 11% of the world's population [JETRO 2014, p. 5].



AFTA = ASEAN Free Trade Area; APEC = Asia-Pacific Economic Cooperation; ASEM = Asia-Europe Meeting; ASEAN = Association of Southeast Asian Nations; CEPT = Common Effective Preferential Tariff; EAFTA = East Asian Free Trade Area; EAS = East Asia Summit; EU = European Union; FTA = free trade agreement; FTAAP = Free Trade Area of Asia and the Pacific; Lao PDR = Lao People's Democratic Republic; RCEP = Regional Comprehensive Economic Partnership; TPP = Trans-Pacific Partnership.

Notes: *under negotiation; **proposed; †expressed interest to join the TPP.

Fig. 2. RCEP, TPP and other FTAs

Source: ADB [2014, p. 24].

ASEAN group of countries is an element of selected mega FTAs, which could show that this is an important economic partner for the other countries of the region and of the world. Within the group, there are a number of bilateral trade agreements,

which are presented in Table 1. The most common FTA in ASEAN is the ASEAN Free Trade Area (AFTA). AFTA was created by 6 ASEAN countries (Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand) in 1992. Along with the development of ASEAN group, the new countries entered AFTA – Vietnam in 1995, Laos and Myanmar in 1997 and Cambodia in 1999. At the beginning AFTA covered only trade in goods (based on Common Effective Preferential Tariff – CEPT), facilitation in services and investment were concluded later [Zhang, Shen, 2011, p. 8].

Table 1. Bilateral agreements in ASEAN countries as of 2015

COUNTRY	Under Negotiation		Signed but not yet In Effect	Signed and In Effect	TOTAL
	Framework Agreement signed	Negotiations launched			
Brunei Darussalam	0	3	1	8	12
Cambodia	0	2	0	6	8
Indonesia	0	7	1	9	17
Lao PDR	0	2	0	8	10
Malaysia	1	6	0	14	21
Myanmar	1	3	0	6	10
Philippines	0	3	0	7	10
Singapore	0	10	0	20	30
Thailand	1	7	1	12	21
Viet Nam	0	5	2	8	15

Source: Own study, based on ADB [2015].

At the beginning of the XXI century, ASEAN countries were connected with each other, while other Asian big players like China, Japan, and South Korea were isolated from the networks [Lee 2010, p. 9]. ASEAN started to sign FTAs with other Asian countries (like China, Australia, New Zealand, India, Japan, South Korea) as of 2001, when the first FTA between Singapore and New Zealand came into force. These FTAs begun changing not only the regional sourcing and manufacturing landscape, but also the global landscape. Based only on the agreement with China (ASEAN – China FTA), they managed to reduce tariffs to zero on 8 thousand product categories [Devonshire-Ellis 2014]. The effects on trade were visible in China and in ASEAN countries, as well. China can have access to cheaper (than domestic) labor force whilst countries like Brunei Darussalam, Malaysia or Indonesia are being included in the global business.

The same methods of reducing tariffs and the same aim can be seen in the agreement signed with India (ASEAN – India FTA). Under this agreement, about 90% of goods being traded between the ASEAN and India will be duty free as of 2016. This agreement is not only about goods, but also services, so this FTA is more

complicated to negotiate. The most advanced and comprehensive FTA that ASEAN has signed so far is the agreement with Australia and New Zealand (AANZFTA). In the center of attention of this FTA are goods and services, but also investments and intellectual property rights. As of 2020, more than 90 percent of activities are to be without duty.

Nowadays, the member states of ASEAN block pursue a policy of cancelling all import and export duty taxes in trade between each other. Only a few countries like Cambodia, Laos, Myanmar and Vietnam left nominal duties on certain items. This situation is supposed to be changed as of December 2015, when all ASEAN countries are to cancel all import and export duties. It means that the entire region will be duty free.

3. The influence of FTAs on the regional production networks

The existing FTAs are dramatically changing Asian business opportunities and economic relations in the region. The fulfillment of commitments of some FTAs and negotiating others can affect the development of trade policy in the Asia-Pacific region and the perception of the region as a global factory. The ASEAN countries created and expanded their production networks, providing an increase in the domestic production and the share of foreign trade. Production networks are jointly responsible for the export success of individual ASEAN countries. The development of these networks required a progressive liberalization of trade relations among ASEAN, on the other hand, the creation of further FTAs enabled the transfer of production to countries more effective in the production process [Kawai, Wignaraja 2010, p. 1].

Strong economic ties and integration processes taking place on a regional scale are crucial for the region, and access to the global market simply by transnational corporations and business, and production networks is necessary for the further economic development of ASEAN. Production networks of various industries (e.g. electronics devices or automotive) have developed among the ASEAN countries for many reasons.

It can be indicated that the economic diversification of the countries and the wage differentials occurring between the countries have a positive effect on the separation possibility of the production chain. Production of the elements requiring knowledge and innovation are located in more developed countries of the examined region, while production is transferred to less developed Asian economies, where labor costs are much lower than in other countries.

It can be argued that the difference in wages contributed to the rapid development of production networks in the ASEAN region. Other factors necessary for networking and influencing the competitiveness of the region are: labor force, low transaction costs, rapid economic development of individual countries, the potential market for customers, as well as transnational corporations existing in the region. As a result,

many companies belong to production networks and thus form production ties between the countries. Key agreements are also within the ASEAN and ASEAN with external partners on tariffs and customs restrictions, including new initiative which is to come into force on December 31st, 2015.

Very important for the region is the ASEAN Economic Community (AEC). AEC is supposed to cover all ten countries and is founded on four basic pillars. First is to create a single market and production base, second to increase competitiveness, third to promote equitable economic development and forth – further integration of ASEAN with the global economy [ASEAN 2008]. The AEC's goal is to create a free trade area in goods and services, liberalization of capital inflows and investment and the free movement of labor. AEC, in their assumption, helps to link up the less developed economies with more developed ones and bring a more equitable economic development across the region. ASEAN as a one, integrated power, is better included into the global economy.

The existence of AEC directly contributed to the creation of regional value chains which, by deepening integration process in the region and exports, are included in global value chains. Deepening regional integration introduces a wide range of amenities and facilities in the functioning of the network of business and production, which has a direct impact on the connectivity of different entities within the group of ASEAN. These connections, expressed through the production, investment, trade and business linkages, are evident in the scale of enterprises, countries and industries. AEC, by transforming ASEAN into one single market and production base, boosts the competitiveness and connectivity of the region as a whole. AEC is a future for the region and its results are to be seen in a couple of years.

Both, the existing free trade agreements and newly created ones, aimed to increase the flow of trade in the studied region. Strong production networks that are developed on a large scale in countries such as Thailand, Malaysia, Indonesia and Vietnam, can increase its production in cooperation with the entities outside the ASEAN group. ASEAN agreement with China may move production of some goods from China to the countries of the block. Rising wages and labor costs in China are forcing Chinese companies to seek effective factors outside the country. Duty-free movement of goods between China and ASEAN can contribute to increasing the scale of operations of the production networks. Entrainment of further countries to trade without tariffs also contributes to increasing the level of entrepreneurship in the country, because more companies are included in the production of selected components and parts of final products.

4. Conclusions

Links of the global international companies with regional production networks in the countries of ASEAN are developing rapidly since the 80's. In some cases, local networks are a part of a larger international network of production, or global value

chain, managed by the corporations present in the region. It is the world's corporations, making decisions about the involvement of companies from ASEAN in their production chains, helped to build a strong production networks in the region. The presence of large transnational corporations, among many other economic and social factors, contributed to the inclusion of the studied region to global production chains.

The functioning of the ASEAN Economic Community directly contributes to the creation of regional production chains, which through exports are to be integrated into global production chains and production networks. Regional integration creates a variety of amenities and facilities in the functioning of the business and production network, which has a direct impact on the relationship of various entities within ASEAN. These connections, expressed through the production, investment, trade and business links, are visible both in the individual countries, as well as industries and companies. Market-driven economic integration, that can be observed in ASEAN block, requires stronger liberalization and facilitation of trade and further elimination of cross-border impediments. FTAs concluded by the ASEAN countries can be seen as an element of political support in the development of production networks and supply chains in the region. Production networks can benefit both from FTAs and investment promotion policies of governments of the ASEAN countries.

It is worth mentioning that production networks are located in the region for a longer time than the first FTAs came into force. Because of that, it can be understood that FTAs are not the essential condition for networks growth, since product fragmentation trade preceded the advent of FTAs. FTAs can be seen more as a supporting factor in the development of networks that can help to improve the scale of production and cooperation between companies and countries. On the other hand the noodle bowl effect can be a disadvantage, because the entrepreneurs need to be well oriented in all the rules of the trade with a foreign partner. A region-wide Asian FTA is a chance to reduce the negative effect of the noodle bowl. The main aim of AFTA and other FTAs was to increase regional competitiveness as a center of Asian production and AEC will continue to work at local capacity to be a center of global production networks.

References

- ADB, 2014, *ASEAN 2030. Toward a Borderless Economic Community*, Asian Development Bank Institute, Tokyo.
- ADB, 2015, *ARIC FTA database*, Asian Development Bank, <https://aric.adb.org/fta> (01-30.10.2015).
- Ando M., Kimura F., 2005, *The Formation of International Production and Distribution Networks in East Asia*, [in:] Ito T., Rose A.K. (eds.), *International Trade in East Asia*, NBER - East Asia Seminar on Economics, Vol. 14, University of Chicago Press, Chicago, p. 177-178.
- ASEAN, 2008, *Declaration on the ASEAN Economic Community Blueprint*, ASEAN Secretary, Association of Southeast Asian Nations, Jakarta.

- Athukorala P., 2010, *Production Networks and Trade Patterns in East Asia: Regionalization or Globalization?*, ADB Working Paper Series on Regional Economic Integration, No. 56.
- Borrus M., Ernest D., Haggard S (eds.), 2000, *International Production networks in Asia, Rivalry or riches?*, Roulege, London.
- Czarny E., 2013, *Regionalne ugrupowania integracyjne w gospodarce światowej*, Polskie Wydawnictwo Ekonomiczne, Warszawa.
- Devonshire-Ellis C., 2014, *Understanding ASEAN's Free Trade Agreements*, 2014, 13th of February, <http://www.aseanbriefing.com/news/2014/02/13/understanding-aseans-free-trade-agreements.html> (15.10. 2015).
- JETRO, 2014, *On making Japan a base for international business circulation*, JETRO Global Trade and Investment Report, <https://www.jetro.go.jp/en/news/releases/2014/20140807856-news.html> (15.10. 2015).
- Kawai M., Wignaraja G., 2010, *Asian FTAs: Trends, Prospects and Challenges*, ADB Economics Working Paper Series, No. 226.
- Lee S., 2010, *Creating a Region? The Evolution of Free Trade Agreement Networks in East Asia*, EAI Asia Security Initiative Working Paper, No. 7.
- WTO, 2015, *Regional Trade Agreements Information System*, World Trade Organization, <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx> (12.10.2015)
- Zhang Y., Shen M., 2011, *The Status of East Asian Free Trade Agreements*, ADBI Working Paper Series, No. 282.