

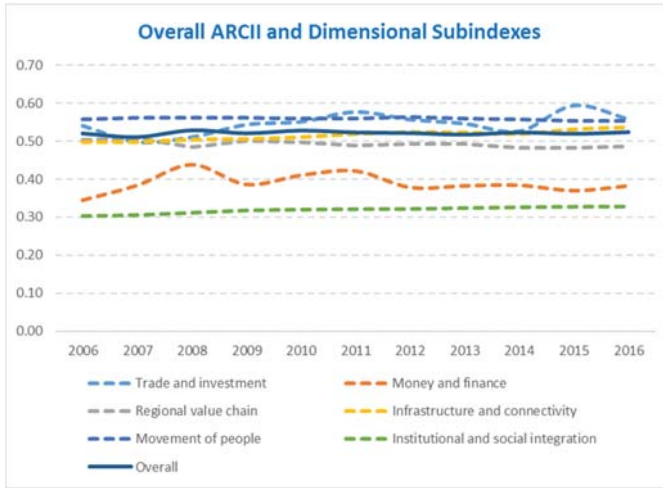
# Asia-Pacific Regional Cooperation and Integration Index

Cyn-Young Park

Regional Cooperation and Integration Division  
Economic Research and Regional Cooperation Department  
Asian Development Bank

## Regional integration is a multi-dimensional process

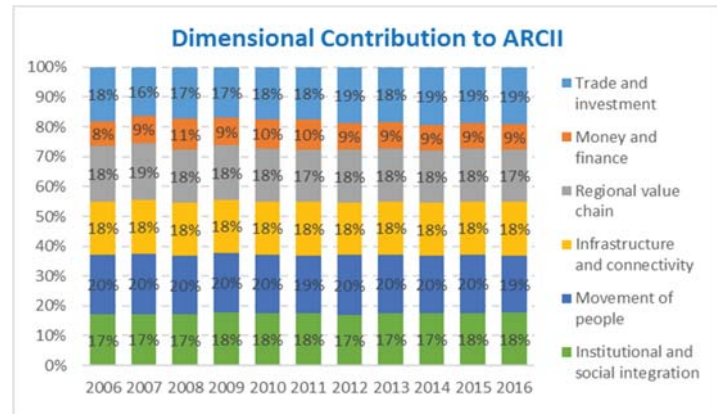




## Key Regional Integration Trends

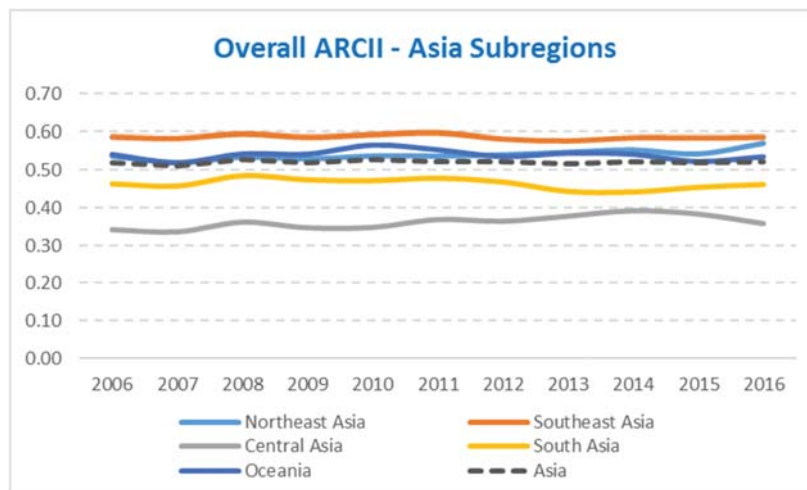
Evolution of regional integration has been broadly steady

Trade and investment and movement of people drive regional integration in Asia



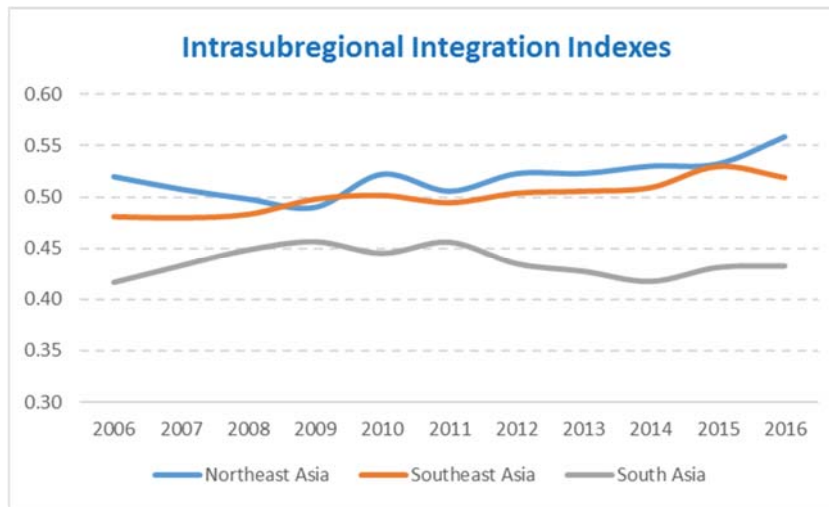
## Regional Integration Trends across Subregions

- Southeast Asia is most integrated with entire Asian region, Central Asia is least



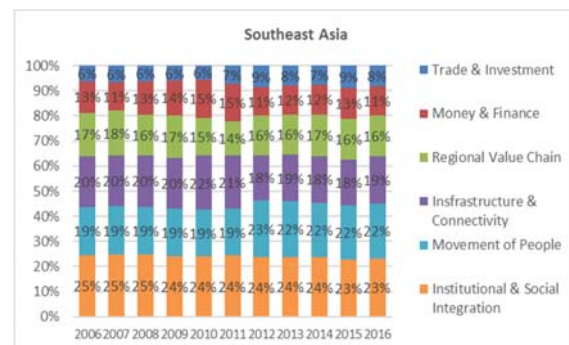
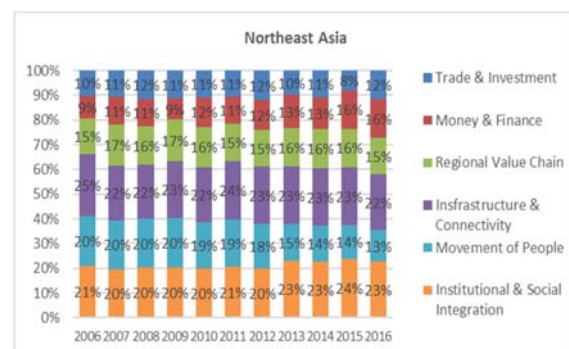
# Intrasubregional Integration Trends

- Northeast Asia leads in intrasubregional integration



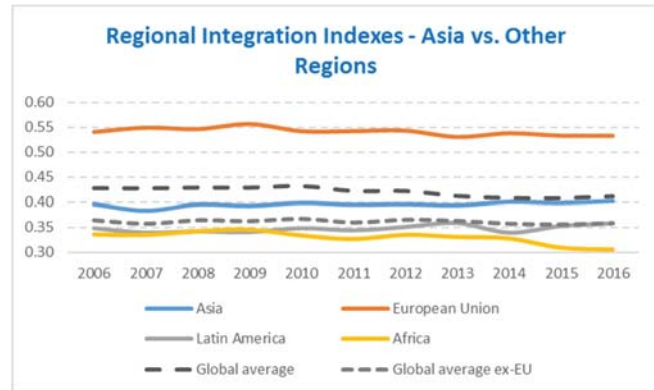
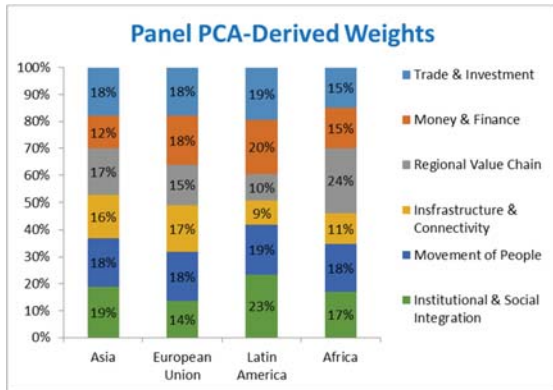
# Intrasubregional Integration Trends

- Infrastructure and connectivity and institutional and social integration seem to drive intrasubregional integration
- Movement of people made relatively greater contribution to Southeast Asia beginning 2012



## Regional Integration Index: Asia vs. Other Regions

- Corresponding regional integration indexes were constructed for the EU, Latin America and Africa
- For comparability across regions, indicators were normalized using worldwide min-max scaling (i.e. using global minimum and maximum values)



- EU appears to have most evenly distributed shares for the six dimensions
- EU is most advanced in regional integration
- Asia comes second and close to global average

## Summary

- **Usefulness of ARCII**
  - Provides a broad-based measure of regional integration
  - Tracks progress of regional integration over time
  - Identify strengths and weaknesses across different subregions and different dimensions
- **Key regional integration trends from ARCII**
  - Pace of regional integration in Asia has been broadly steady
  - Trade and investment and movement of people are main drivers of regional integration; money and finance is the weakest link
  - Southeast Asia leads in intraregional integration; Northeast Asia in intrasubregional integration
  - Asia comes second to EU in terms of regional integration but several Asian economies have broken through top tier dominated by EU economies