



In the time span of seven forthcoming years, the tariff restriction on agricultural products import from the developing countries should be removed completely. Already benefiting from extensive subvention (doubled in case of EU member countries), agricultural production in developed countries holds twice the advantage on the world markets. As the world food price soar, Forum consider the suspension of subventions and removing tariff restrictions as one of the most reasonable ways to stop the steep of increase in food price to stop the steep increase in food price level that endangers the already troublesome access to nutrition in poorest regions of the world. Furthermore, it would provide developing countries vital incomes to spur their progress and the same time cheaper food in developed countries

The member countries of ASEAN agree with the Forum's propose about the tariff restriction due to historical reasons, as well as the development of factor endowment constraints in these countries. ASEAN countries has long had a large proportion in the export trade of agricultural products, agriculture, mining and other primary product. They are trying to eliminate import duties on all products to achieve a free trade area. This import duties elimination will mean for this region to be competitive with the rest of the world. The strategic goal of economic integration by 2020 is an ASEAN Community that is a single market and production base with a free flow of goods, services, labor, capital, and investment. In 2008 were between ASEAN, Australia and New Zealand concluded Free Trade Agreement (AANZFTA), in 2009 with India, in 2008 with Japan. To achieve tariff reduction for six original ASEAN Member Countries with China is assumed in 2015 and in 2018 for the newer Members, with EU negotiations are ongoing.

Of the main imbalances present in the world economy, Forum finds China's long term trade surpluses and, on the other hand, US trade deficits the most pressing one. Yuan, China's national currency is considerably undervalued compared to US dollar. Taking this into consideration, it is apparent that China's exports hold unfair advantage in the world trade.



Moreover, the amount of Chinese monetary reserves in US dollar creates the unprecedented situation when the exchange rate of the main world reserve currency, that US dollar still remains, could be significantly influenced by the economic policy of China. Therefore, Forum suggests that China, as well as some other Asian countries, namely Japan and South Korea; stop intervening in favor of keeping the exchange rates at artificially low levels.

After creating China-ASEAN Free Trade Area (1.1. 2010) play China' Yuan bigger role in regional trade in Asia. ASEAN members support Forum proposal, because their export suffers due to China's exchange rate. It does not help ASEAN countries that Chinese state-run banks support industry with loans so cheap that credit can be almost free, holding down operating costs. For example Vietnam devalued its currency by five percent in 2009, to keep it competitive with China. In Thailand, manufacturers are openly complaining about their inability to match Chinese prices. So are the manufacturers in the Philippines. China is also offering a wider use of the Yuan in ASEAN countries to settle trade transactions. The Yuan is mainly used in border trade, which accounts for only 10 percent of China-ASEAN bilateral trades. Alongkorn Ponlaboot, deputy minister of commerce of Thailand, believed this would play a more important role in bilateral trade between China and ASEAN in the future. He said Yuan was a very stable currency and expanding its use could help reduce risks faced by the ASEAN countries in using the U.S. dollar, which has become highly volatile as a result of the global financial crisis.

Forum of the 21st Century recommends that, in the global dispute over the sources of energy, greater space is given to scientists who oppose pessimistic scenarios concerning the depletion of conventional sources of energy. Existing scientific studies, which question the pessimistic scenario accepted worldwide without contradicting voices being heard, provide us with a different perspective regarding the future use of energy resources. Using financial resources and scientific capacities to further improve efficiency of already existing facilities is substantial. Funding the development of alternative sources of energy should be done based on both environmental and economic arguments. Forum regards reopening the debate on the use of nuclear energy highly



essential. Thermal energy should be taken into consideration as a cheaper alternative to solar and wind energy where possible, as well.

ASEAN recognizes the critical role of an efficient, reliable and resilient electricity infrastructure for stimulating regional economic growth and development. Around 66% of the ASEAN people have access to electricity. Electricity is produced through a mix of oil, gas, coal, hydro, geothermal and other renewable energy sources. In ASEAN, the share of renewable energy in primary energy consumption was 28.1% in 2005 and is expected to grow annually at a rate of 9.1% in 2030. During the 2010-2015, renewable energies are needed to increase the diversity of energy supply and to reduce the environmental impact of energy use in the ASEAN region. ASEAN Member States plan to grow the use of coal utilization for power generation and ensure regional energy security. Although there is no operational nuclear power plant in ASEAN today, all countries except Brunei and Laos have active plans for adding nuclear power into the electricity generating mix. Vietnam plans to build eight plants by 2030, producing 15,000 to 16,000 megawatts (MW) of electricity.

According to Forum, the “brain drain” phenomenon is, among many others issues, one of the most common that hamper the progress of developing countries. Often individuals benefiting from the free education in their home countries leave in pursue of better careers. However, countries have currently no means to recoup the funds spent on professional growth of such individuals. To counterbalance drawbacks caused by the brain drain phenomenon, Forum recommends the adoption of measures that would guarantee the return of funds invested in education of individuals who do not contribute to the gross domestic product. As a possible solution, Forum proposes legal precautions, which would ensure that either individuals or the country of destination would refund the money spent on the individual's education to be taken.

ASEAN member's countries problem that was highlighted is the fact that there is still a “Brain drain” from Asia to North America and Europe where most innovations and most RnD still happens. In this respect, the UK recruits nurses from Philippines for the National Health Service.



Such labor is a drain on the resources of ASEAN member countries, leading to shortages of skilled personnel, in this case ASEAN support guaranty of returning the funds invested in their education.

In the future, a job creation in ASEAN led by the region's economic growth will reduce numbers of interregional labor migration whilst the ASEAN migrant labours are going to work more in their own countries or within the region. Two important constraints are the limitation of intraregional labour flow treaties and the use of native languages in professions. On the other hand ASEAN member's countries understand that capital investment leads to imports of highly skilled personnel. In this regards, Malaysia and Vietnam imported approximately 32,000 and 30,000 foreign specialists in 2000

With its value falling due to the long-term Federal Reserve inflationary policy, the unique position of dollar slowly but steadily deteriorates. Forum proposes that the use of International Monetary Fund reserve currency shall be augmented. SDR currency basket should be composed of five currencies belonging to the countries with the highest share of world trade, strictly in the proportion equal to their respective shares. The second alternative is the return to the gold standard where the new money could be not printed by central banks unless adequately covered by gold. This would stabilize exchange rates around their real values and stop the widely adopted countries' inflationary policies leading to losing control over their countries.