# Scenario Planning for National Audit Dept

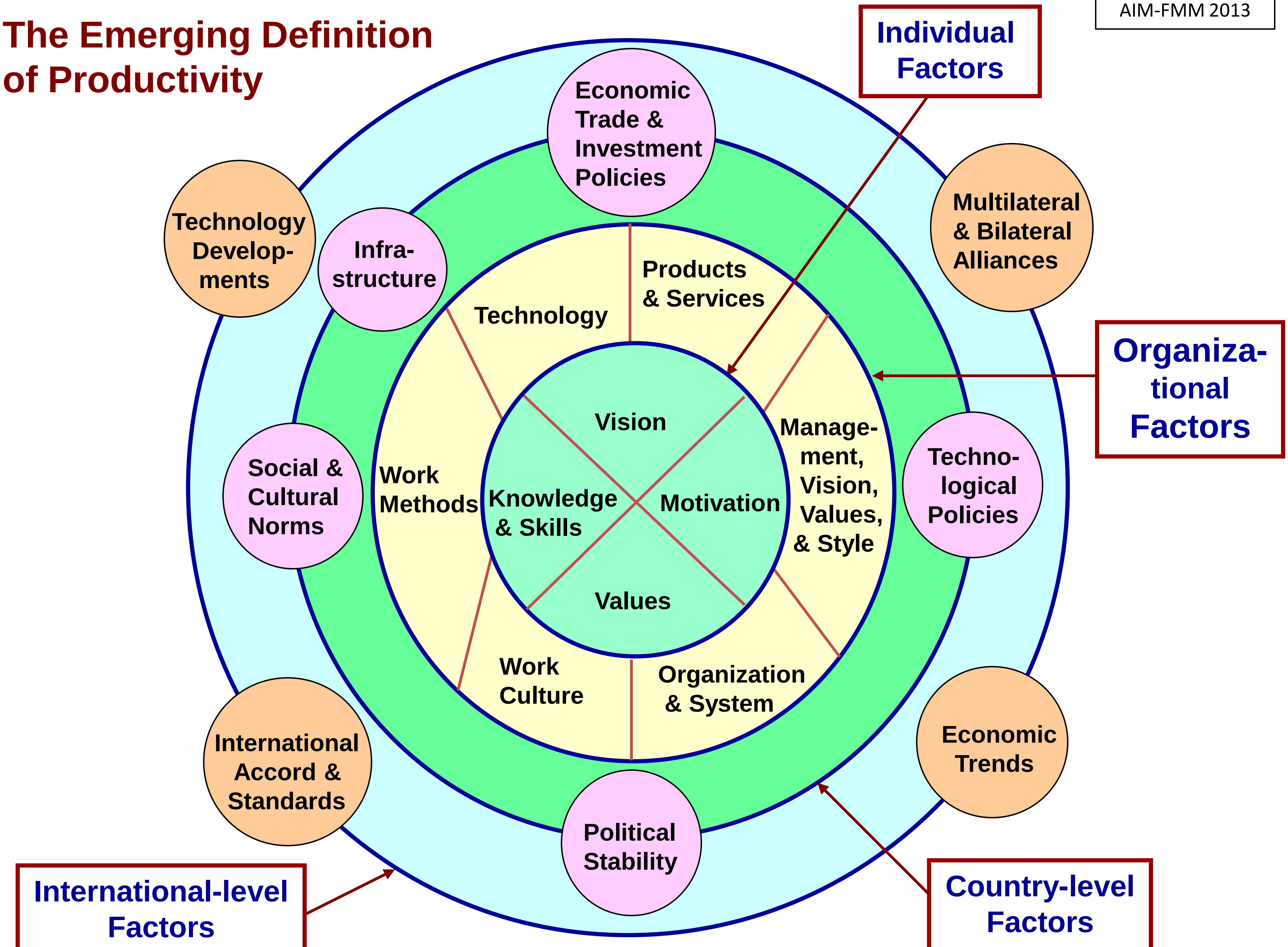
Professor Federico M. Macaranas

12 June 2013

# Problems Presented by Learning Teams in the EA Module

1. Effectiveness of AG online dashboard to fight corruption
2. Responding to various issues raised in Audit Report
3. Auditing Government Linked Corporations
4. Producing AG Report in line with stakeholders' expectations
5. Implementing National KRA on Anti-Corruption
6. Meeting expectations of stakeholders sustainably

# The Emerging Definition of Productivity




Source: R.C. Monga, "Emerging Concepts, Process & Dynamics of Productivity – Quintessential Features," New Trends of Productivity [Tokyo: APO, 1995].

# Scenario planning (1)

- How can an organization visualize different versions of the future to test how it might survive with its current strategies? (Roger S. Gils, Patricia Lustig, and Jill Lang, Scenario Planning for Competitive Advantage, http:www/lasadev.com.articles/scenario.htm)
- Use a tool to enhance the forward thinking of the top team and improve their awareness of risks and opportunities – so they can create competitive advantage. (ibid.)
- Scenario planning helps see opportunities there might be,.. making sure organizations don’t run risks, identifying advantages they might seize ahead of their competition. (ibid.)

# Scenario planning (2)

- Origins: military intelligence
- Game theory foundation
- 70s: oil shocks, cartels, environmentalism
  → Royal Dutch Shell scenario planning
- Create scenarios with narratives
- Define options: strategies, actions
- Integrate: Develop early warning signals

# Steps in Developing Scenarios: Peter Schwartz´s Method

- **Step One: Identify Focal Issue or Decision**
- **Step Two: Key Forces in the Local Environment**
- **Step Three: Driving Forces**
- **Step Four: Rank by Importance and Uncertainty**
- **Step Five: Selecting Scenario Logic**
- **Step Six: Fleshing Out the Scenarios**
- **Step Seven: Implication**
- **Step Eight: Selection of Leading Indicators and Signposts**

  - **Peter Schwartz: The Art of Long View**

# Scenario Thinking – 5 Phases
# Diana Scearce and Katherine Fulton

- **Phase One: Orient – Interviews, Focal Issues**
- **Phase Two: Explore - Critical Uncertainties, Predetermined Element**
- **Phase Three: Synthesize – Scenario Framework, Scenarios**
- **Phase Four: Act – Implications, Strategic Agenda**
- **Phase Five: Monitor – Leading Indicators, Monitoring System**

# Learning Team Exercise: Scenario Planning (1 hour)

- Define focal issue in your unit or division
  - Key uncertainties, questions in minds of stakeholders
- Define driving forces (PESTE analysis)
  - Most important things that matter
- Create scenarios with narratives
  - Most/least important, most/least certain
- Define options: strategies, actions
- Integrate: develop early warning signals

From A Note on Scenario Planning, HBS 9-306-003 David Garvin and Lynne Levesque, 2006

# Scenario planning

**Define Focal Issue**

What problem?
Usually a question
Timeframe

**Define Driving Forces**

Forces = PESTE factors
Enable/inhibit focal issue
Usually uncertain
Multiple views
Pick 2 most important
Make 2x2 matrix
Set up polar points

**Create Narratives**

Go for vivid emotion
Think!
Tell stories

**Define Implications & Responses**

From each scenario
Revisit focal issue
Conjure up implications
Think robust responses

**Integrate**

I.D. early warning signals

# Step 1: Define focal issue

- Central problem or objective: a question
- Some significant decision to be made
- Whose focus
  - Your Unit or Division helping realize Malaysia 2020
  - Helps define later options/actions.
- Some range of options; some state of nature
- Within some specific time and place
- Examples
  - Given the current global economic crisis, what will the international financial architecture look like by 2015? 2020? Impact on Malaysia 2020?
  - What if the US slow recovery  or even stagnation is prolonged like Japan’s situation in the 1990’s to date? Impact on Malaysia 2020?

# Step 2: Define driving forces

- PESTE analysis
  - Include consumer behavior, value chain
- Forces usually inhibit or enable focal issue
- Get from diverse stakeholder views
- Rank 2 most critical PESTE uncertainties
  - should inhibit/enable focal issue in big ways
- Construct 2 x 2 uncertainty matrix
  - Create polar opposites—high-low, difficult-easy
  - Result: four quadrants

From A Note on Scenario Planning, HBS 9-306-003 David Garvin and Lynne Levesque, 2006

# Examples of PESTE based on Drucker's innovation drivers

- Unexpected occurrences: 9/11
- Incongruities: Digital photos
- Process needs: Publishing
- Industry/market changes: Deregulation
- Demographic changes: Aging population
- Changes in perception, meaning, mood: Eating habits
- New Knowledge: Carbon credits

Drucker, P. (1985) Innovation and Entrepreneurshp

# Examples of focal points, and key drivers

| Focal points | Key Drivers |
|---|---|
| What global trends impact on a GLC the most? | Global financial reforms, technology |
| Where are the opportunities in local farmland development? | Overseas remittances, political risk |
| What education programs will be in demand in 2015? | Population growth; offshore costs |

# Step 3: Create scenarios with narratives for each quadrant

- End goal:
  - Stories not predictions, but…
  - …vehicles to stimulate thinking; heighten awareness
- Go for vividness, emotion
  - Controversy, conflict
  - Characters
  - Cause-and-effect (and…because)
  - Resolution
  - Newspaper headline
- Reality is <u>not</u> one of four scenarios, but elements from each one!

# Step 4: Develop implications, responses

- For each scenario/quadrant, generate implications and options
- Robust responses emerge in more than one quadrant

# Step 5: Integrate

- Identify leading indicators, “signposts” that indicate emergence of a scenario
- Use scenarios to test strategic options

# What NOT to do in Scenario Planning

- Defining focal issue as yes-no:
  - Should I go long on dollars or Euros? (one dimensional question: yes or no, one or the other, not both)
  - Better: what kind of currency position should I take? (Less specific, yet not too vague)
- Been there, done that:
  - choose a driving force with little variability and low uncertainty. We sort of know results ahead of time.
  - E.g. Indian population explosion
- Denial:
  - Develop responses to only one quadrant

# Example of Scenario Planning

**India and the World through 2025**

**S**tep 1: Define central or focal issue: how India will grow and develop in a world of complex and uncertain global forces

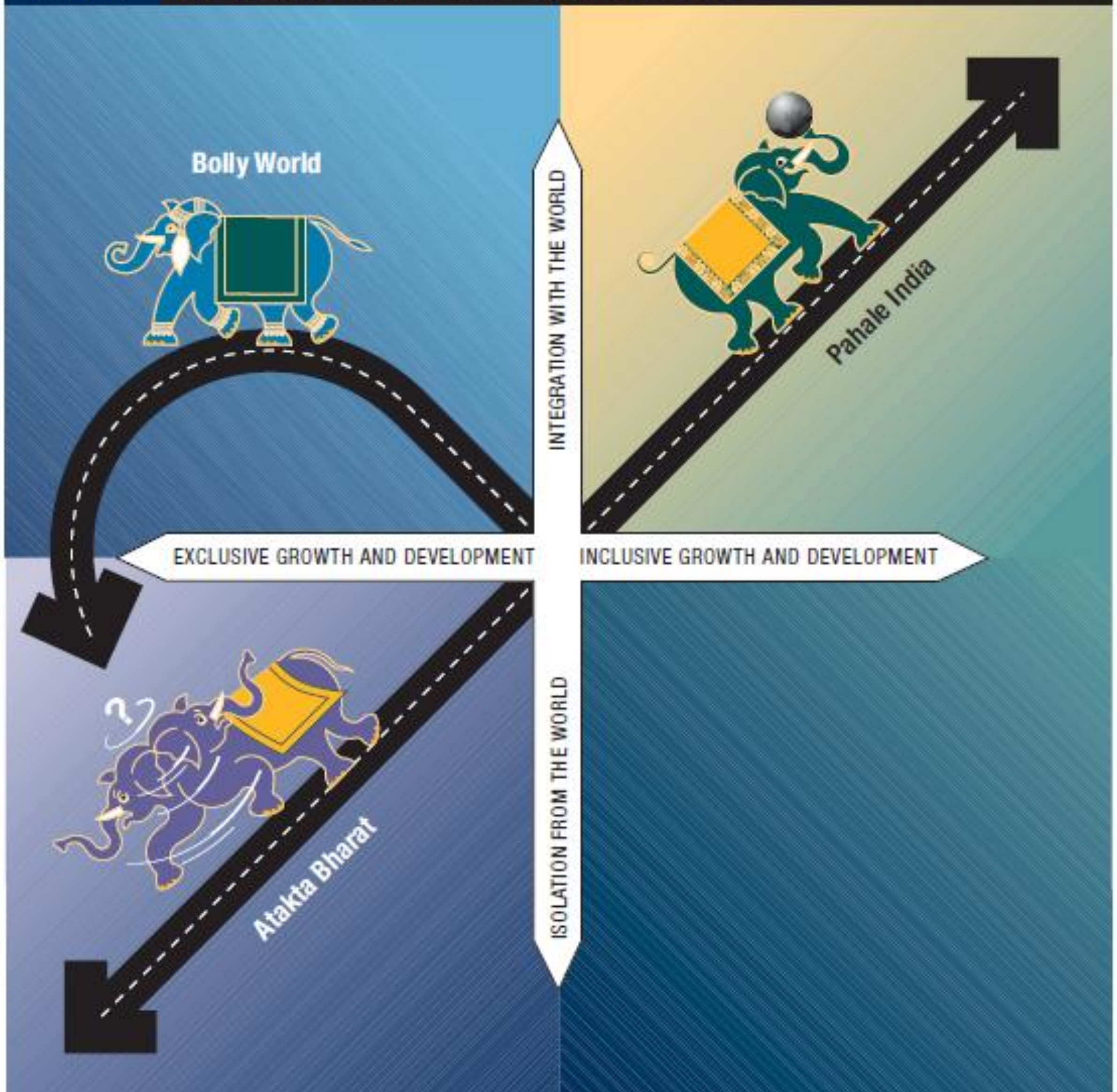
Step 2: Define driving forces using PESTE analysis : India's development path (growth and inclusivity), and India's integration with/isolation from the world

Step 3: Create scenarios with narratives in different quadrants (Bolly World, Pahale India, Atakta Bharat)

Step 4: Develop implications and responses in each narrative

Step 5: Integrate

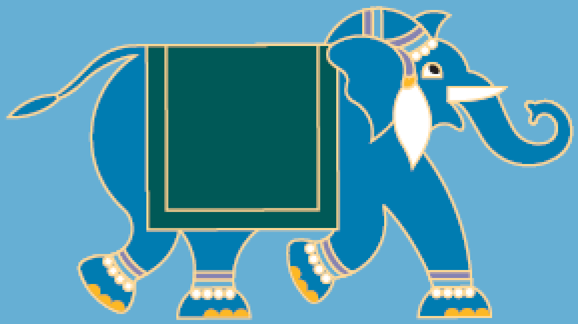
Figure 1 **India and the World: Scenarios to 2025**



## Bolly World

“Bollywood” is the name given to the highly successful Indian film industry, famous for its masala movies—melodramatic extravaganzas with spectacular song and dance numbers. The title “Bolly World” reflects a future in which India’s leaders are so dazzled by the immediate gains to be made in international markets that they fail to implement much needed domestic reforms.

The scenario is told as a conversation overheard on a plane flying from Delhi to Dubai in 2025. A chartered accountant tells his travelling companion why he thinks India is no longer experiencing international success and is facing so many problems. As he puts it, the situation “is just like Bollywood itself—once you get behind all the glitter and the razzmatazz, you realize—the whole thing is just an illusion.”



**2005-2015:** The lavish promises of international business encourage the Indian government to make changes that hasten immediate economic growth. Low operation costs and cheap labour attract the investments of the international community—but these are concentrated in IT and upper-end knowledge intensive sectors.

Anxious to hold the attention of global business, the Indian government follows its lead as it makes its own investments. Rural areas remain undeveloped and under-funded and growing numbers of poor and unemployed are migrating into the cities, whose infrastructure cannot support them. India's leaders discuss "the problem of poverty" but fail to make necessary reforms.

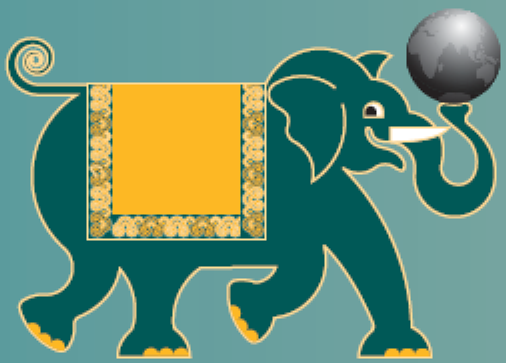
**2015–2025:** Inadequate structural reforms mean much of the Indian economy faces constraints and the growth momentum is unsustainable. Unreliable infrastructure, skill shortages and growing disparities between regions and income groups hamper equitable growth. In many poorer states, unemployed and disaffected youth join extreme religious groups, take to petty crime, or are drawn to "sons of soil" type movements. These tendencies preoccupy policy-makers and governments at all levels, making it difficult for them to focus on measures to promote economic growth and equity.

A global economic downturn induces OECD countries to focus on efficiency and competition in domestic industries. This causes greater unemployment in these economies, prompting multinationals to withdraw and reduce international investment in India. Preoccupied with behaving like a global power, India has neglected regional relationships and now cannot rely on them to bolster economic performance. Economic growth is insufficient to alleviate chronic poverty or raise living standards. India's initial successes in the first years of the new century now seem like a dream.

# Pahale India

“Pahale India” means “India First” and this is reflected in the scenario in at least three ways: 1) people from across India put the needs of their community and country first; 2) India emerges as a global economic leader; and 3) India’s dynamic internal developments make it a source of inspiration for the rest of the world.

This story is told by a successful Indian businesswoman at the 40th India Economic Summit in 2025. Her keynote speech explores the reasons for India’s remarkable success.



**2005-2015:** The many diverse individuals and groups fighting for India's future align their energies and visions behind a single goal: putting India first. Crucially, this includes a new generation of leaders who push forward a series of legislative and administrative reforms. Six key areas needing urgent, large-scale investment are identified. They become the cornerstone of a massive, countrywide campaign for change, known as "PAHALE: the Six Pillars of India's Future":

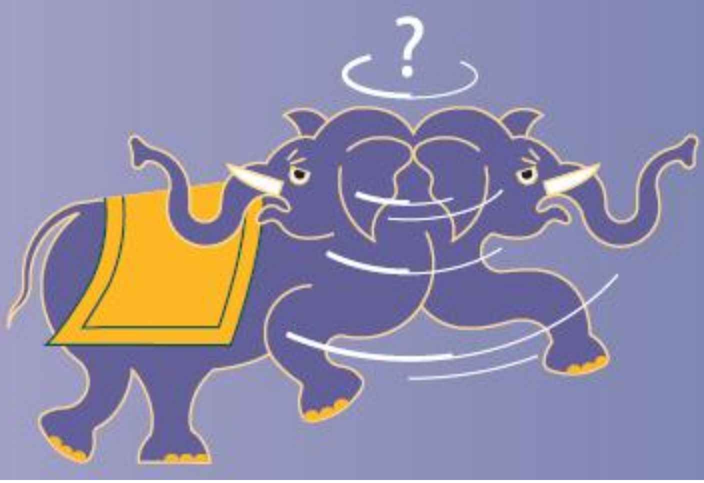
- **P**overty alleviation – basic needs for all
- **A**griculture and rural development
- **H**ealthcare
- **A**ccess to education
- **L**eapfrogging infrastructure constraints
- **E**ffective governance

Burgeoning globalization provides a huge boost to the Indian economy—the government balances the desire for immediate profit with more long-term development goals. Meanwhile, it manages its ambitions to become a global power with sensitive handling of regional dynamics, carefully fostering constructive relationships with individual countries.

**2015-2025:** The international environment gradually grows less benign and the global economy slows. However, because India has made adequate preparations—internally in terms of reform and equitable distribution and externally in its international relationships—it sustains a robust level of development.

Over the 20 years of the scenario, India's leadership and society build the capacity to implement reforms and sustain inclusive development across the country, taking advantage of its growing population. By 2025, India has been lifted by a virtuous cycle of higher, sustained economic growth, balanced development and global integration, and is transformed into a significant, respected and responsible global power.

## Atakta Bharat




"Atakta Bharat" describes an India "getting stuck without direction" reflecting the lack of unified action and absence of effective leadership that, in this scenario, create a continuous and cumulative source of problems for India.

The scenario is told as the transcript of a speech given at the monthly forum of the Hyderabad GM Crop Collective. The collective—a collaboration between the Hyderabad Farmers, Seed Developers and Rural Workers Cooperatives—is an example of one of the more positive responses made by some Indians to the multitude of troubles facing India.

The speech itself also draws attention to the importance of self-organization and self-help. Entitled "India's last 20 years: Why we must help ourselves", it explores how initial well intentioned attempts at reform in India failed—because of corruption, inadequate planning and insufficient political will. The speaker raises a number of what he calls "if onlys" to describe how India's future could have been very different.

**2005-2015:** Despite endless committees and interminable conferences about India's future, the Indian government fails to take action to instigate reforms. Within India, this means a lack of infrastructure—inadequate roads; limited communications, healthcare and education systems; no attention to water management—and growing disparities between rich and poor. Rural areas remain undeveloped and the numbers of poor and unemployed increase.

The international environment is becoming increasingly difficult: economic demands and domestic pressures mean that the US is withdrawing from international engagements. And the rest of the world seems to be following its example, adopting increasingly protectionist policies. Gradually the global economy slows. In this context, India is not a tempting prospect for foreign investors who begin to pull out, or choose other cheaper, less dangerous destinations.

**2015-2025:** In the face of these escalating problems, the Indian government still cannot achieve consensus. The only area they can agree on is the importance of raising military spending as turmoil in surrounding countries increases. The Indian people stop looking to the government for solutions and concentrate on finding their own means of survival. Corruption increases, as do conflicts—over resources, and religious and ethnic differences.

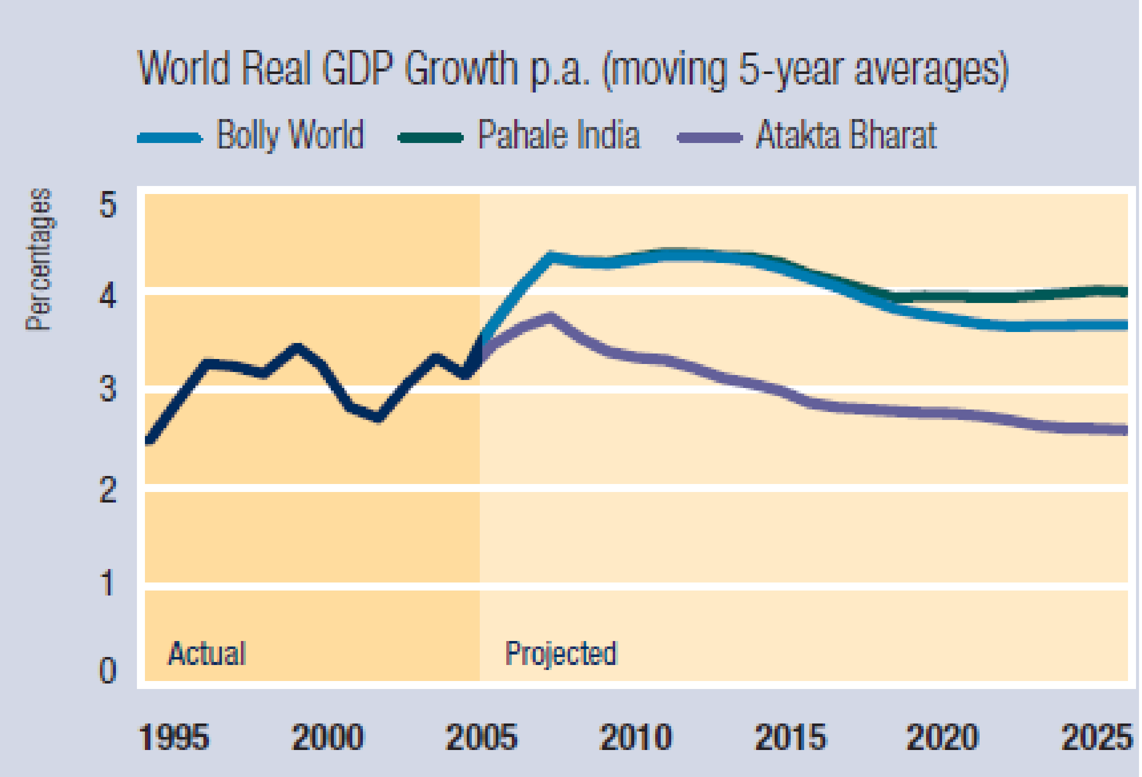
But some, like the Hyderabad GM Crop Collective, find more peaceful and constructive ways to self-organize: pooling knowledge and resources, reaching out to find similar groups in other parts of the world. By 2025, it is movements such as these that provide a glimmer of hope in what seems otherwise to be a bleak future for India.

# The Three Scenarios

This table provides a comparison of some of the most important aspects of the scenarios, with more analysis presented in the Annex.

| | Bolly World | Pahale India | Atakta Bharat |
|---|---|---|---|
| **Economic performance** | Growth led by a few select sectors, competitive in global economy. Rural development neglected. | Broad-based, high growth benefits majority and sustains internal economic development, while enhancing global economic integration. | Low growth, with potential constrained by lacklustre global economy and domestic economic weakness. |
| **Social development** | Unbalanced development driven by a few internationalized sectors and states. High disparity across states and regions. | Balanced development. Access to opportunities for all, benefiting majority, including women and the poor. | Rural development neglected. People and communities must help themselves. In best cases this leads to community self-organization; in worst cases, corruption and violence. |
| **External relationships** | Aspiration to be a major global player; neglects regional relationships. | Proactive economic diplomacy. Respected global player, ensuring peace and prosperity for South Asia and the world | Reactive foreign relations, shaped by global environment and immediate neighbours. |
| **Leadership & governance** | Oriented towards the self-interest of vocal and privileged minorities. Highly opportunistic; lacking in long-term vision. | Leaders put India first, above personal and sector interests. Aligned, effective and inclusive at all levels. | Dissatisfaction with ineffective national and state governance means that people take care of themselves. Leaders emerge from within communities with varying results. |

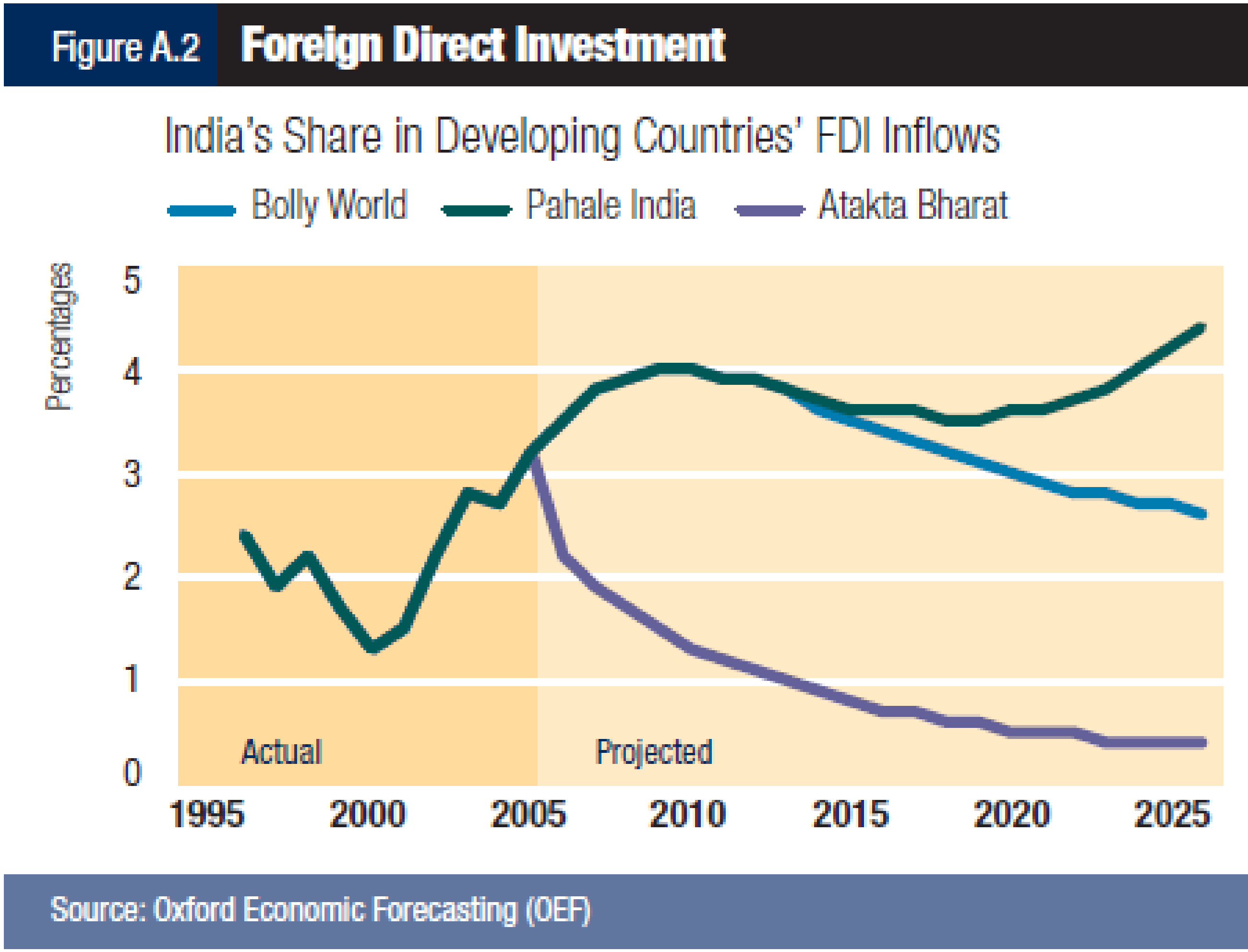
Figure A.1 **World Growth**




Source: Oxford Economic Forecasting (OEF)

**i) Global GDP growth**

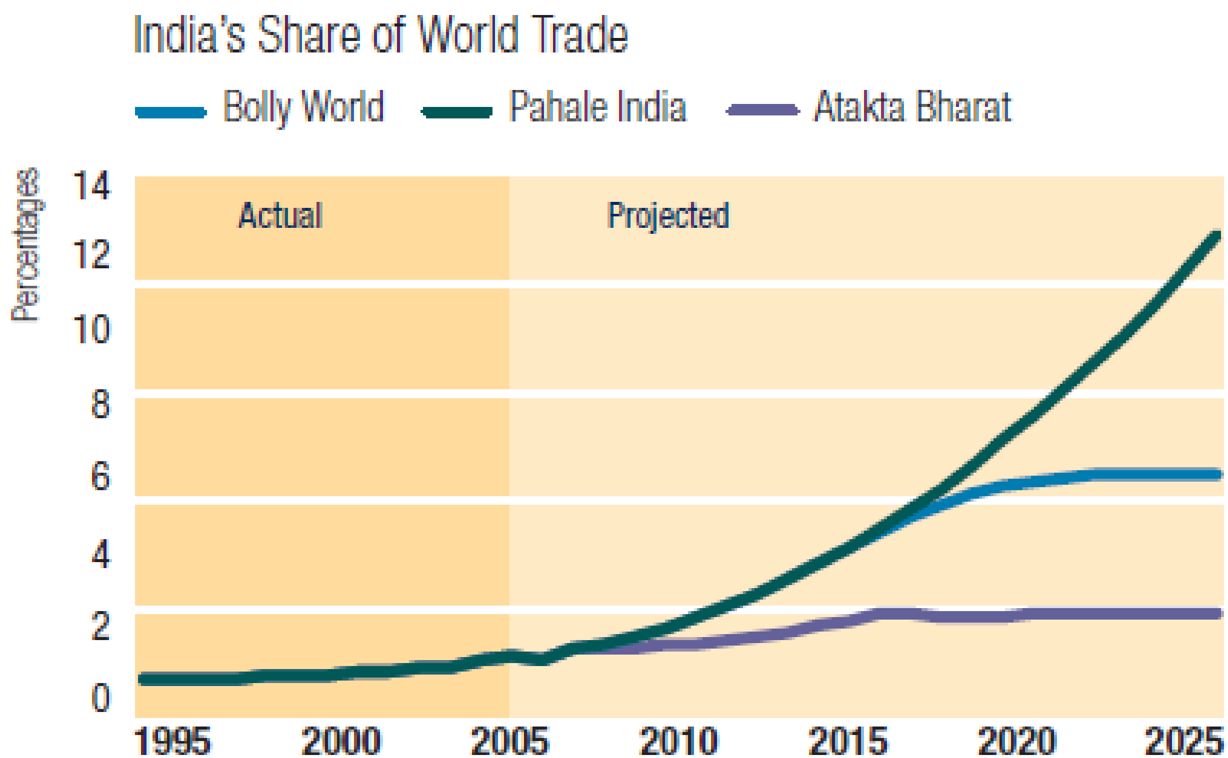
A benign external environment enables economic growth in India in the first decade in ***Pahale India*** and in ***Bolly World***. Global growth peaks in 2008 with a real GDP growth rate of 4.5% before slowing down to a moderate growth of about 4% – still fairly high in historical terms. In ***Atakta Bharat,*** the international environment is difficult and increasingly so throughout the scenario period. Global growth slows gradually to as low as 2.5%.




**ii) India's share of developing countries FDI**

India's share in developing countries' FDI rises constantly in ***Pahale India***, while in ***Bolly World,*** it drops after the first decade as India loses its attractiveness. In ***Atakta Bharat,*** investor confidence is extremely low and the share drops steadily.

**Figure A.3** **India's Exports**

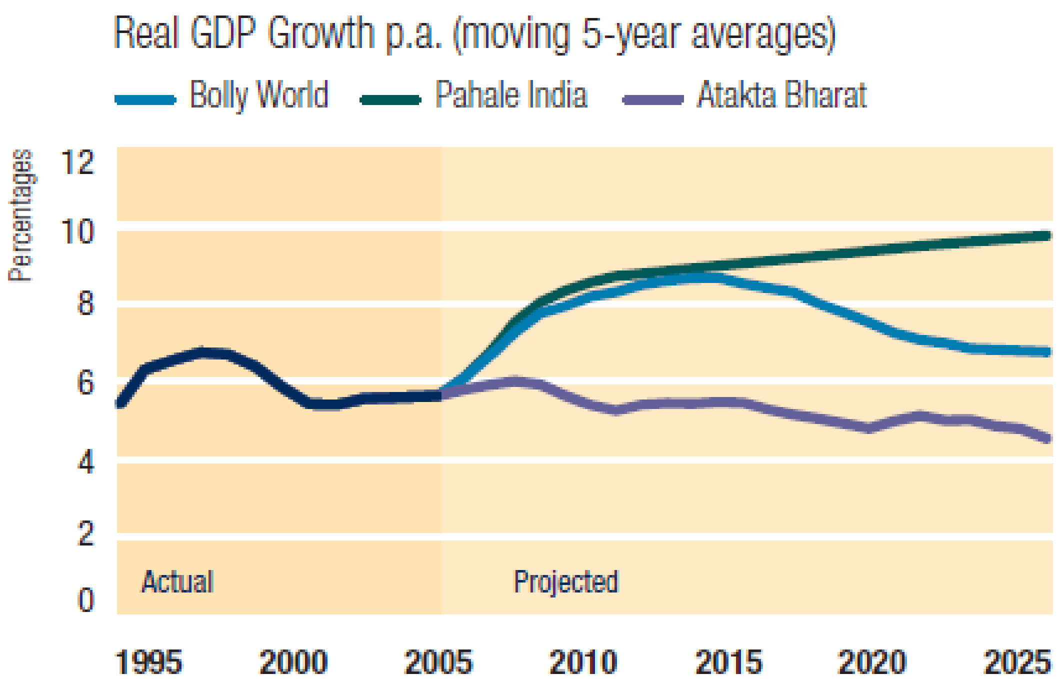



Source: Oxford Economic Forecasting (OEF)

**iii) India's share of world trade**

India's share in world markets increases more than seven-fold in ***Pahale India***, driven by both services and goods exports, while in ***Bolly World***, the growth in market share tapers off in the second decade. In ***Atakta Bharat,*** India's trade share fails to improve in view of the poor global environment and her inability to gain in relative competitiveness.

**Figure A.4 Economic Growth in India**



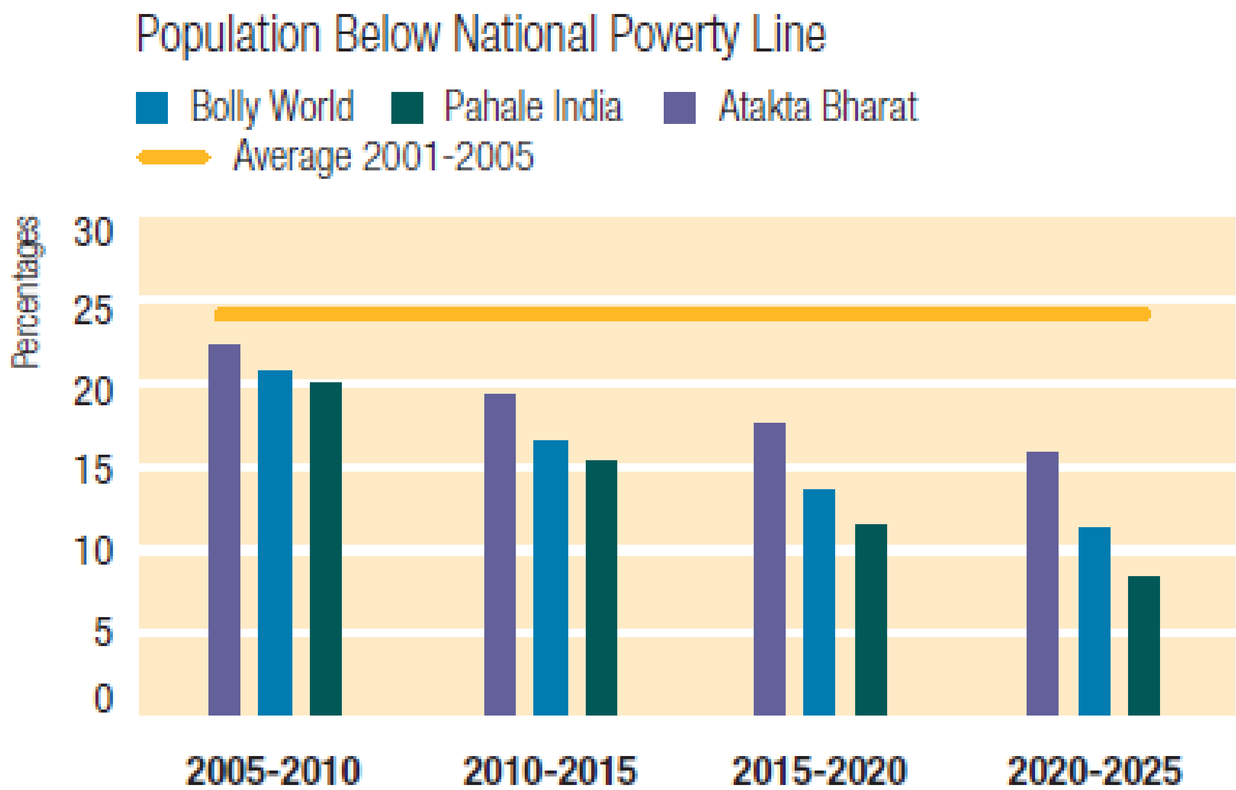

Source: Oxford Economic Forecasting (OEF)

### iv) India's GDP growth

In ***Pahale India,*** despite the global downturn in the second decade, i.e., around 2016, India manages to maintain and even slightly increase its growth due to its improved competitiveness and growing internal demand. It moves steadily towards a growth rate of 10% per annum. In ***Bolly World***, the slow down in global demand in the second decade has a direct effect on India's exports and FDI inflow and thus on the GDP growth, which goes back to the levels of the 1990s. In ***Atakta Bharat,*** India is unable to benefit from the difficult global environment or implement internal reforms, and growth moves steadily back to the "Hindu rate of growth" of the 1980s.

AIM-FMM 2013

## Figure A.5 Poverty



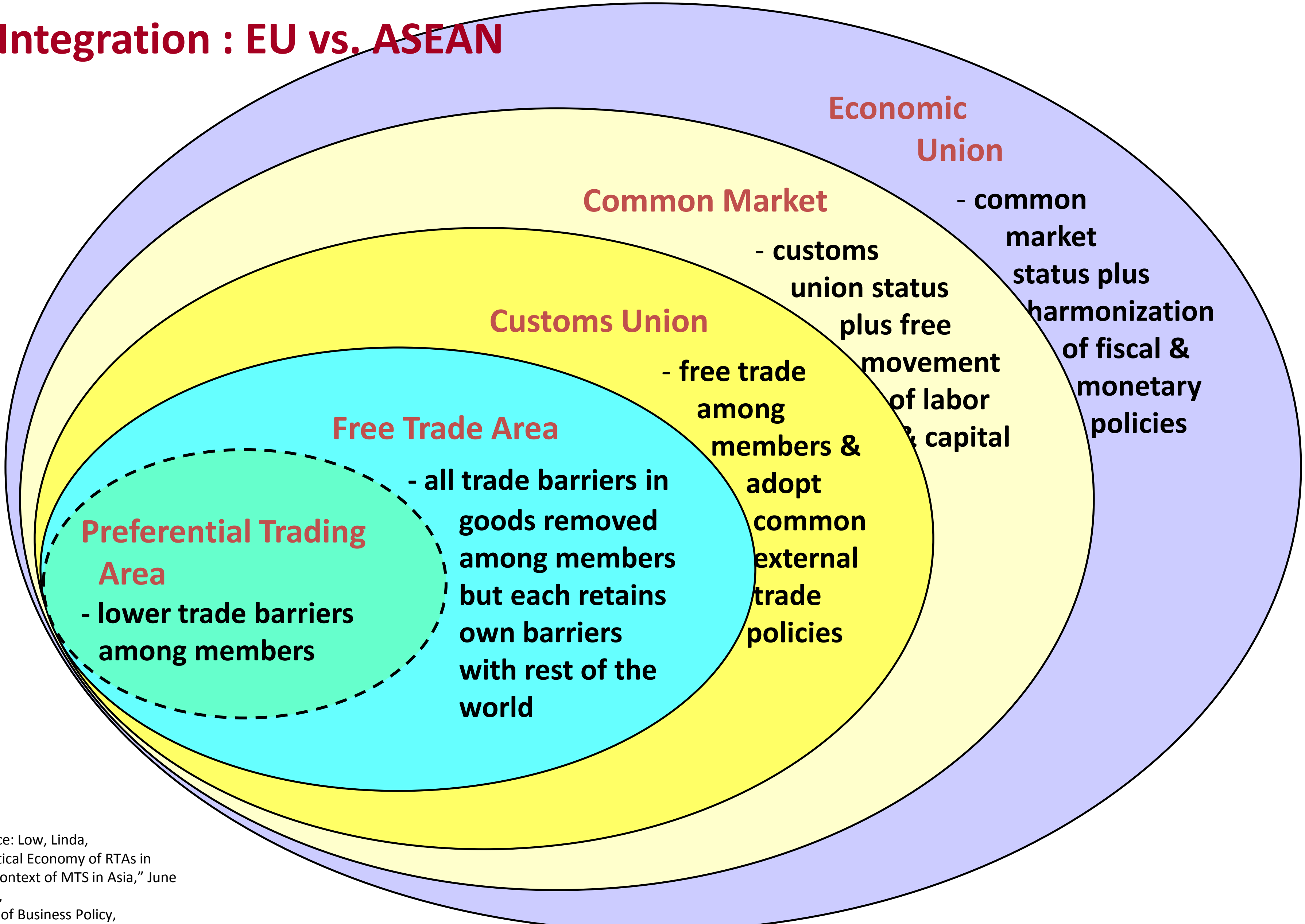

Source: National Council for Applied Economic Research (NCAER)

**v) Change in poverty levels in India**

The sustained and inclusive growth and development in ***Pahale India*** allow India to reduce the poverty ratios by two-thirds of its 2001-2005 average. In ***Bolly World***, growth is still strong enough to cut the ratio in half, while in ***Atakta Bharat,*** the poverty ratio is reduced by only one-third.

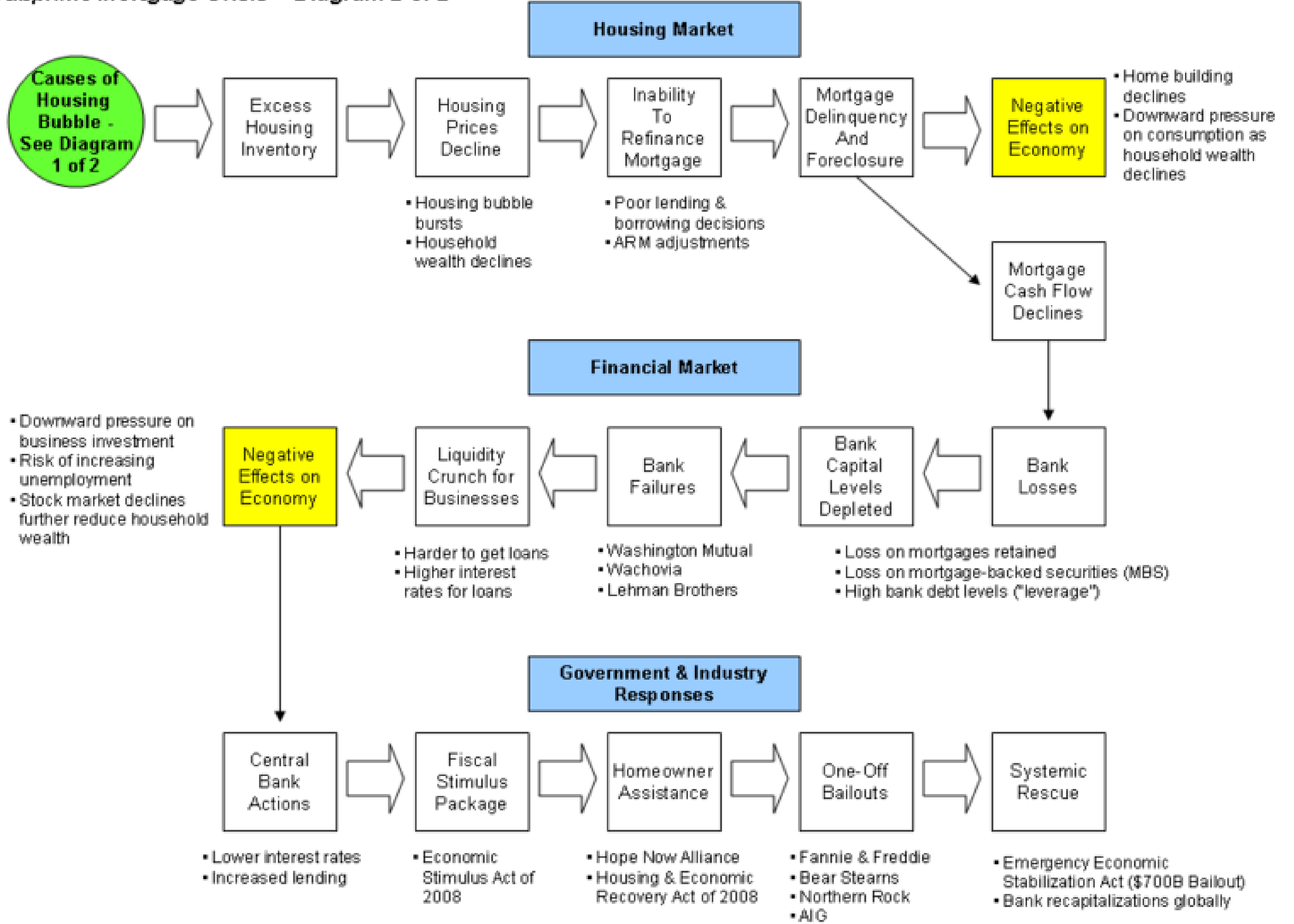
# ADDITIONAL SLIDES

# Evolution of Economic Integration : EU vs. ASEAN



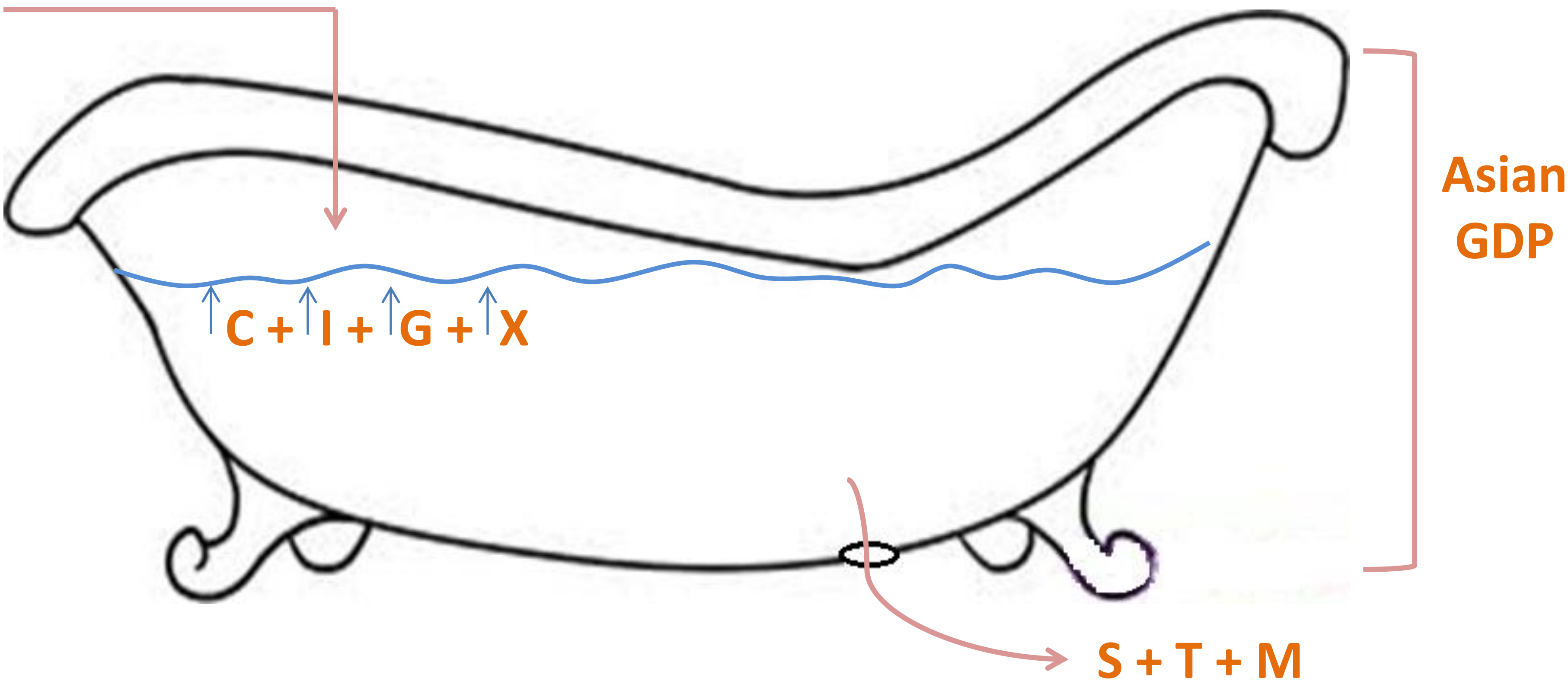

Source: Low, Linda, "Political Economy of RTAs in the Context of MTS in Asia," June 2002, Dept of Business Policy, National University of Singapore

## *Subprime Mortgage Crisis – Diagram 2 of 2*



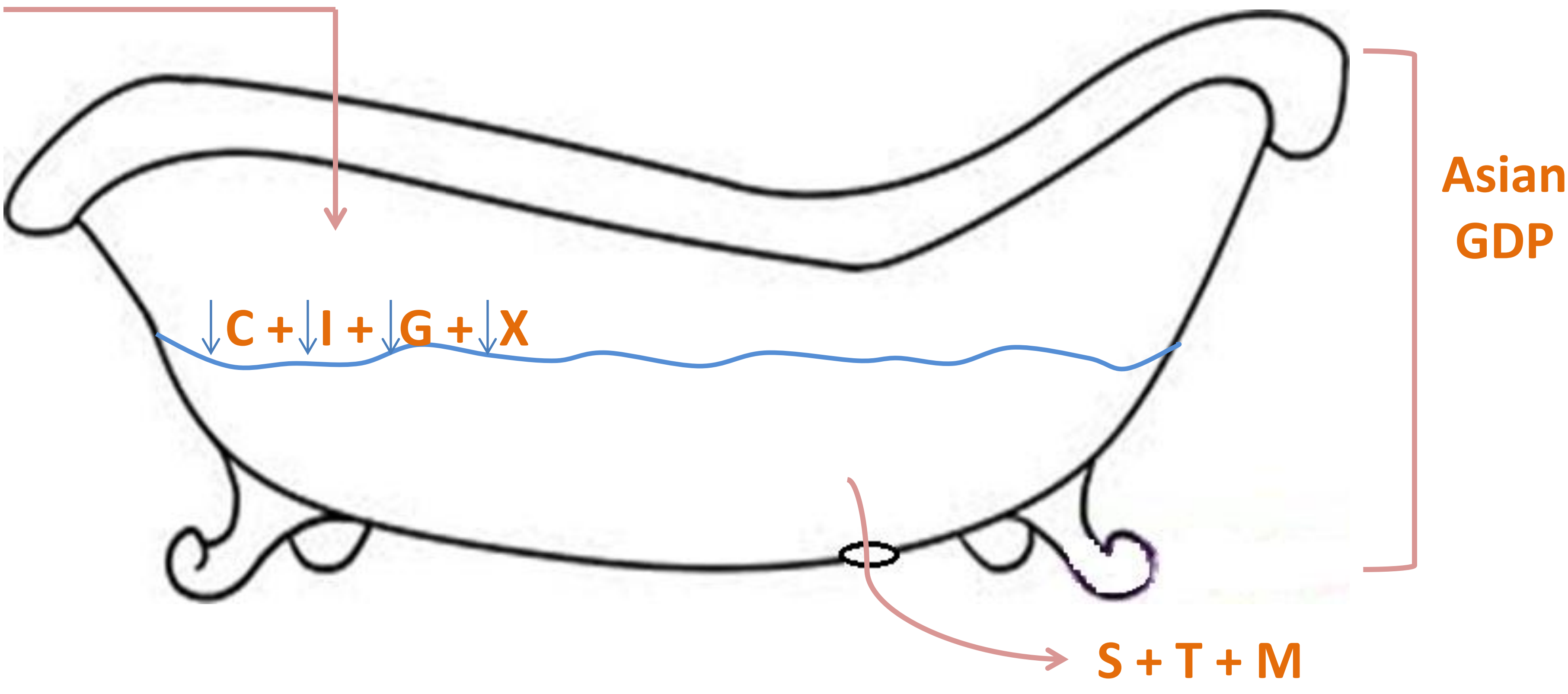
# EU Crisis Impact on Asian Economies

GDP = C ← incomes, wealth of Asians
+ I ← FDI Europe, US, Japan
+ G ← Economic Growth spurs gov't . spending
+ (X-M) ← Relative prices of X/M
and incomes of buyers of Asian exports



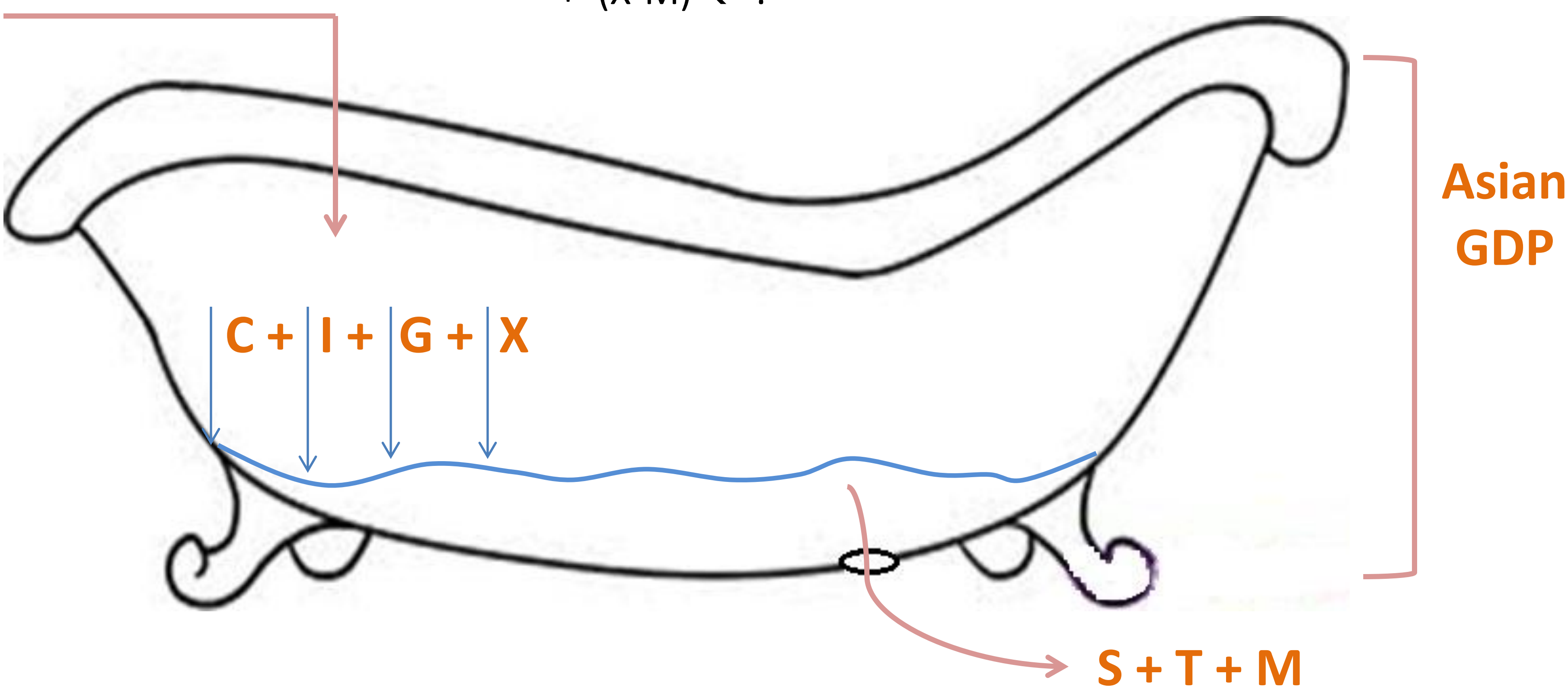
# EU Crisis Impact on Asia

GDP = C ← slower domestic growth of incomes and wealth
+ I ← FDI Europe, US, Japan ← EU crisis
+ G ← Countercyclical spending of gov't.
+ (X-M) ← Changes in regulation, monetary and fiscal policies



# Can EU Crisis Impact Asia Even More Deeply?

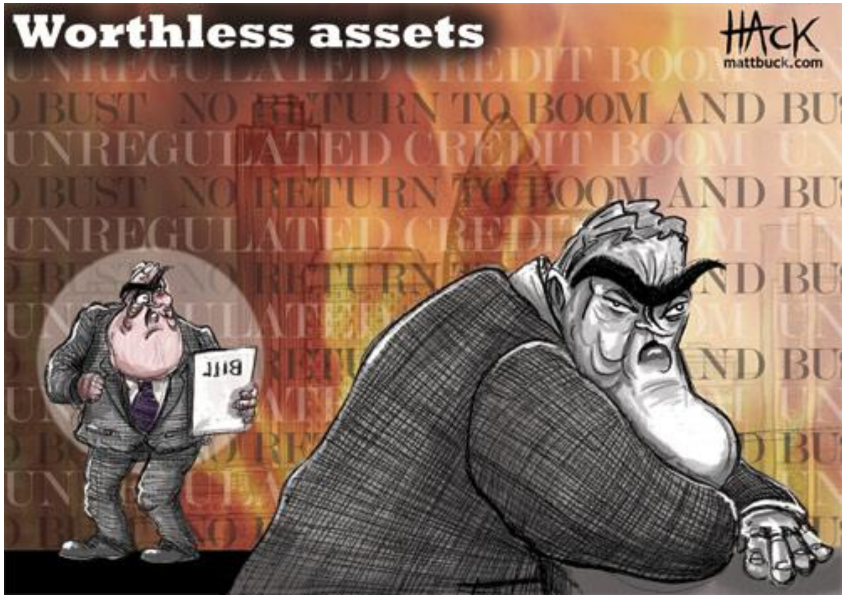
$$
\begin{aligned}
GDP &= C \leftarrow ? \\
&+ I \leftarrow ? \\
&+ G \leftarrow ? \\
&+ (X-M) \leftarrow ?
\end{aligned}
$$



# IV. FINANCIAL CRISIS INQUIRY COMMISSION SUMMARY REPORT

# Financial Crisis Inquiry Commission Summary Points

- **We conclude this financial crisis was avoidable.** The crisis was the result of human action and inaction, not of Mother Nature or computer models gone haywire. The captains of finance and the public stewards of our financial system ignored warnings and failed to question, understand, and manage evolving risks within a system essential to the well-being of the American public. Theirs was a big miss, not a stumble. While the business cycle cannot be repealed, a crisis of this magnitude need not have occurred. To paraphrase Shakespeare, the fault lies not in the stars, but in us.




Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

# Financial Crisis Inquiry Commission Summary Points


- **We conclude widespread failures in financial regulation and supervision proved devastating to the stability of the nation's financial markets.** The sentries were not at their posts, in no small part due to the widely accepted faith in the self correcting nature of the markets and the ability of financial institutions to effectively police themselves. More than 30 years of deregulation and reliance on self-regulation by financial institutions, championed by former Federal Reserve chairman Alan Greenspan and others, supported by successive administrations and Congresses, and actively pushed by the powerful financial industry at every turn, had stripped away key safeguards, which could have helped avoid catastrophe.

Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

# Financial Crisis Inquiry Commission Summary Points

- **We conclude dramatic failures of corporate governance and risk management at many systemically important financial institutions were a key cause of this crisis.** There was a view that instincts for self-preservation inside major financial firms would shield them from fatal risk-taking without the need for a steady regulatory hand, which, the firms argued, would stifle innovation. Too many of these institutions acted recklessly, taking on too much risk, with too little capital, and with too much dependence on short-term funding. In many respects, this reflected a fundamental change in these institutions, particularly the large investment banks and bank holding companies, which focused their activities increasingly on risky trading activities that produced hefty profits. They took on enormous exposures in acquiring and supporting subprime lenders and creating, packaging, repackaging, and selling trillions of dollars in mortgage-related securities, including synthetic financial products. Like Icarus, they never feared flying ever closer to the sun

Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

# Financial Crisis Inquiry Commission Summary Points

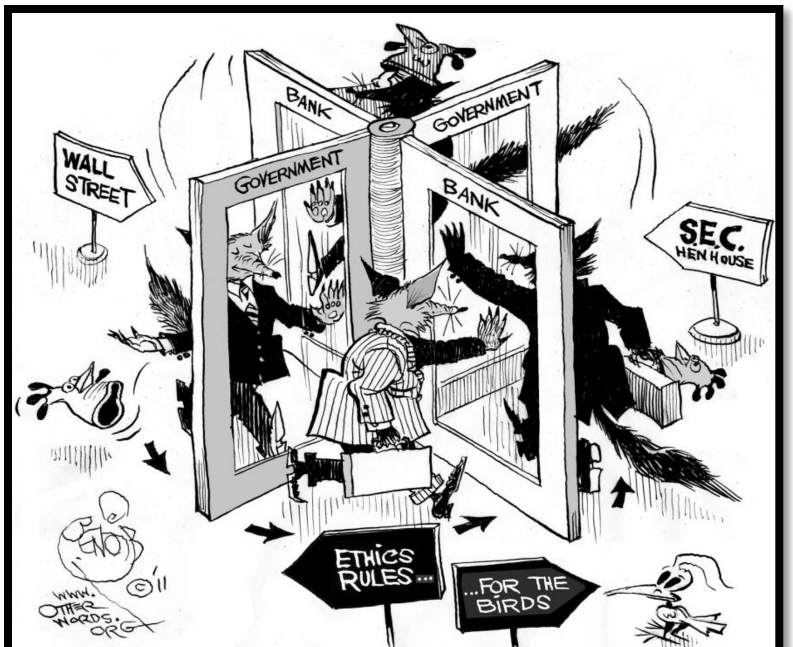
• **We conclude a combination of excessive borrowing, risky investments, and lack of transparency put the financial system on a collision course with crisis**… In the years leading up to the crisis, too many financial institutions, as well as too many households, borrowed to the hilt, leaving them vulnerable to financial distress or ruin if the value of their investments declined even modestly.



Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

# Financial Crisis Inquiry Commission Summary Points

• **We conclude the government was ill prepared for the crisis, and its inconsistent response added to the uncertainty and panic in the financial markets.** As our report shows, key policy makers—the Treasury Department, the Federal Reserve Board, and the Federal Reserve Bank of New York—who were best positioned to watch over our markets were ill prepared for the events of 2007 and 2008.





Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

# Financial Crisis Inquiry Commission Summary Points

• **We conclude there was a systemic breakdown in accountability and ethics.** The integrity of our financial markets and the public's trust in those markets are essential to the economic well-being of our nation… Unfortunately—as has been the case in past speculative booms and busts—we witnessed an erosion of standards of responsibility and ethics that exacerbated the financial crisis. This was not universal, but these breaches stretched from the ground level to the corporate suites. They resulted not only in significant financial consequences but also in damage to the trust of investors, businesses, and the public in the financial system.



Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

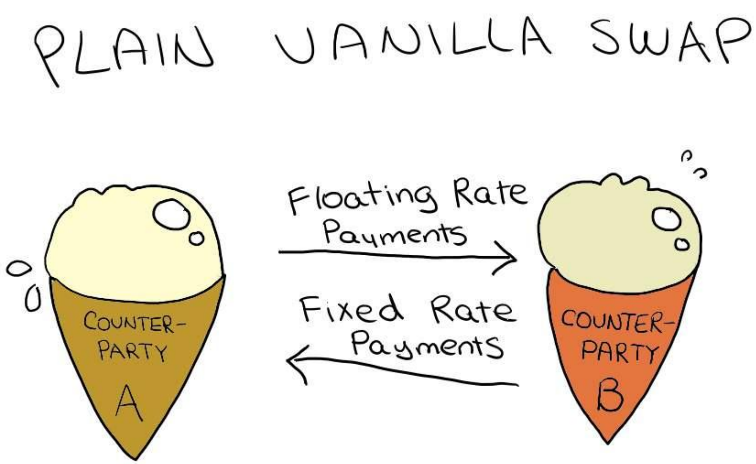
# Financial Crisis Inquiry Commission Summary Points

• **We conclude collapsing mortgage-lending standards and the mortgage securitization pipeline lit and spread the flame of contagion and crisis**. When housing prices fell and mortgage borrowers defaulted, the lights began to dim on Wall Street. This report catalogues the corrosion of mortgage-lending standards and the securitization pipeline that transported toxic mortgages from neighborhoods across America to investors around the globe.


Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

# Financial Crisis Inquiry Commission Summary Points

• **We conclude over-the-counter derivatives contributed significantly to this crisis.** The enactment of legislation in 2000 to ban the regulation by both the federal and state governments of over-the-counter (OTC) derivatives was a key turning point in the march toward the financial crisis.





Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

# Financial Crisis Inquiry Commission Summary Points

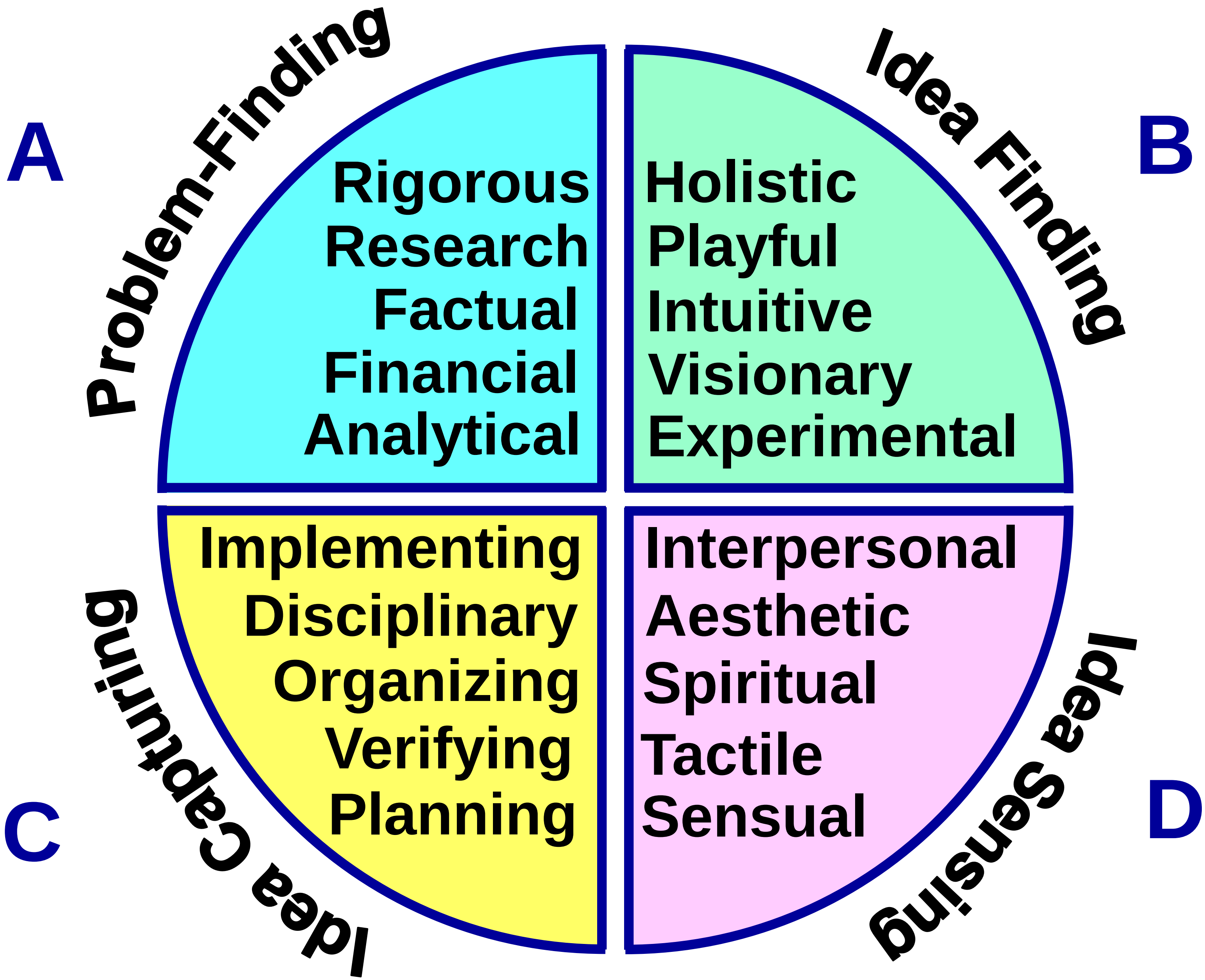
- **We conclude the failures of credit rating agencies were essential cogs in the wheel of financial destruction.** The three credit rating agencies were key enablers of the financial meltdown. The mortgage-related securities at the heart of the crisis could not have been marketed and sold without their seal of approval. Investors relied on them, often blindly. In some cases, they were obligated to use them, or regulatory capital standards were hinged on them. This crisis could not have happened without the rating agencies. Their ratings helped the market soar and their downgrades through 2007 and 2008 wreaked havoc across markets and firms.



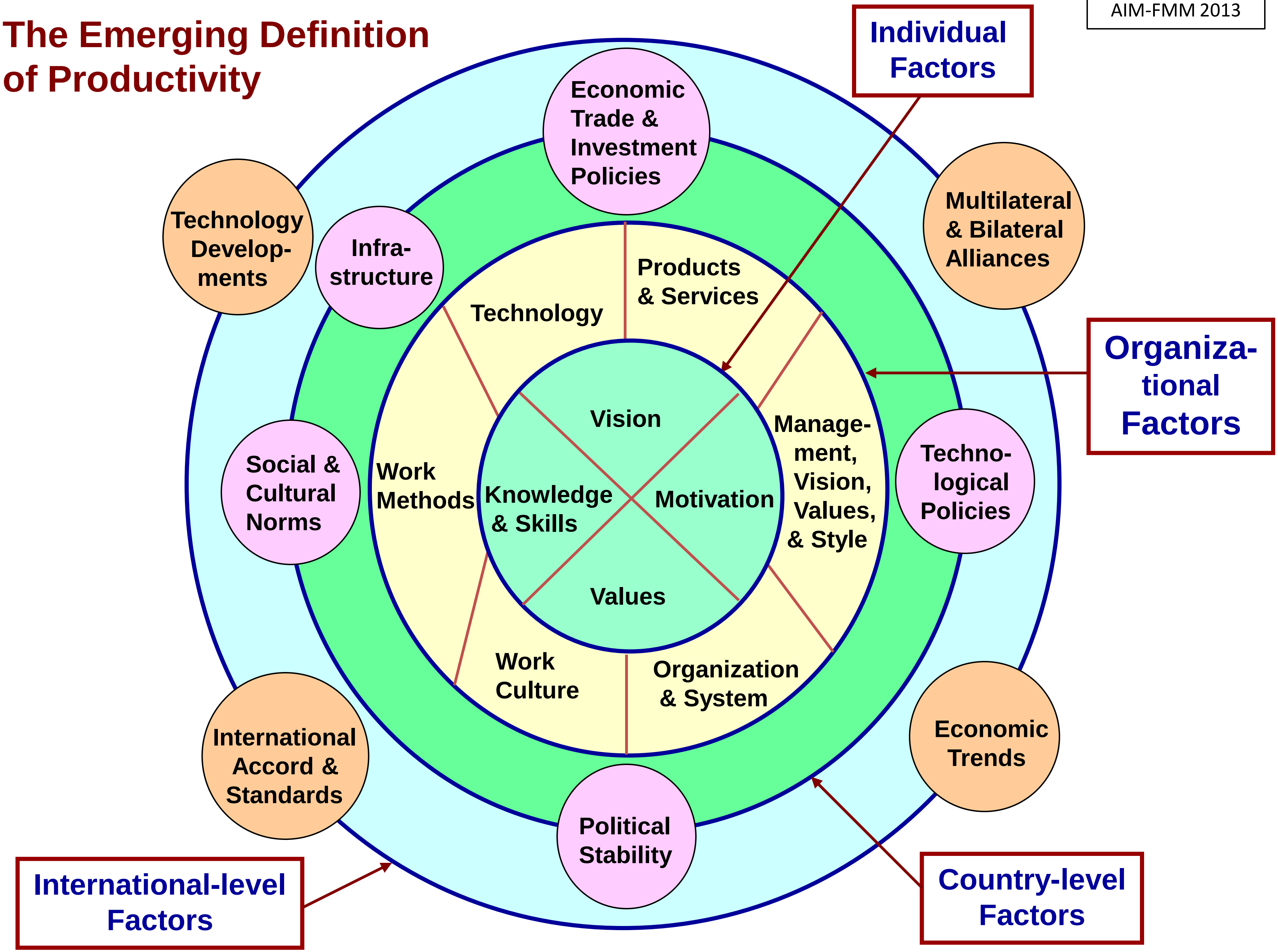
Source: http://www.decisionsonevidence.com/2012/07/bipartisan-financial-crisis-inquiry-commission-report-examines-causes-of-great-recession/

AIM-FMM 2013

# WHOLE BRAIN THINKING



# The Emerging Definition of Productivity




Source: R.C. Monga, "Emerging Concepts, Process & Dynamics of Productivity – Quintessential Features," New Trends of Productivity [Tokyo: APO, 1995].

## ASEAN 2015 : CHARTING PROGRESS TOWARDS REGIONAL ECONOMIC INTEGRATION

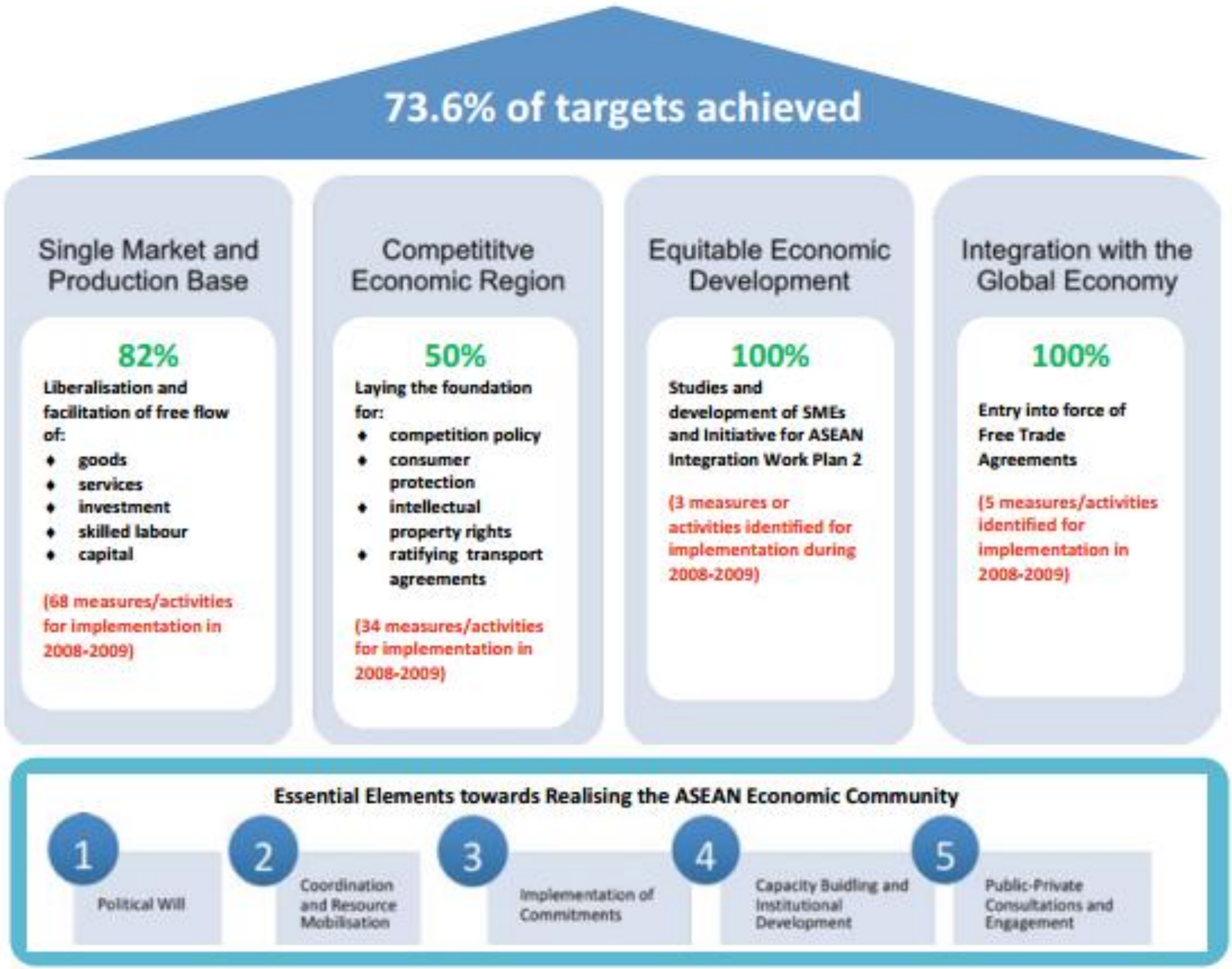
By 2015 a single market and production base is to be established by the ten economies of the Association of Southeast Asian Nations (ASEAN). This is the vision of the ASEAN Economic Community (AEC), which is to create a highly competitive single market that promotes equitable economic development for Member States, as well as facilitating their integration with the global community.
To achieve this target, ASEAN adopted the AEC Blueprint (www.asean.org/5187-10.pdf) in November 2007 which outlines the measures to be taken and the schedule for implementation.
The entry into force of the ASEAN Charter and the adoption of an integrated Roadmap for an ASEAN Community 2015, have provided further impetus towards attaining this goal.
To track progress towards the AEC 2015, a scorecard mechanism has been developed to monitor the implementation of measures listed in the AEC Blueprint. **This report is the first AEC Scorecard** which covers the first two-year period from January 2008 to December 2009.



Source: ASEAN Economic Community Scorecard 2010

**Chart I**

## ASEAN ECONOMIC COMMUNITY




Source: ASEAN Economic Community Scorecard 2010

TABLE 1: LIST OF INITIATIVES AND MEASURES TO BE IMPLEMENTED FOR 2008-2009

| | MEASURES TO BE IMPLEMENTED | ACTIONS REQUIRED |
|---|---|---|
| 1 | Entry into Force of ASEAN Trade in Goods Agreement (ATIGA) | To ratify ATIGA |
| 2 | Determination of the end rate for tariff reduction on Highly Sensitive List products such as rice and sugar | To enhance consultations between parties involved and determine the end rate |
| 3 | National Single Windows | To expedite its establishment and implementation |
| 4 | ASEAN Cosmetic Directive | To transpose the ASEAN Cosmetic Directive into national legislation and put in place a notification system for placement of cosmetic products |
| 5 | Completion of the 7th package of trade in services liberalisation commitments | To schedule sectors that meet higher foreign equity participation levels and other commitments |
| 6 | Entry into Force of the ASEAN Comprehensive Investment Agreement (ACIA) | To ratify ACIA and finalise the reservation list |
| 7 | Entry into Force of ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) | To ratify AFAFGIT and its Protocols |
| 8 | Entry into Force of ASEAN Multilateral Agreement on Air Services (MAAS) | To ratify MAAS and its Protocols |
| 9 | Entry into Force of the ASEAN Multilateral Agreement on the Full Liberalisation of Air Freight Services (MAAFS) | To ratify MAAFS and its Protocols |



Source: ASEAN Economic Community Scorecard 2010