

## ABSTRACT

ASEAN and AEC member countries are totally different, when comparing to each other, the ten member countries are: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Competitiveness mean also that ASEAN must keep eye on its competitors like: EU, USA, China and India. Competitive advantage need a lot research and good knowledge about the competitors. Being atop, needs quick moves and business eye. ASEAN Economic Community (AEC), which will form on 31 December 2015, creates a single market. Thus the borders will open and: labor, investments, services and products can move freely without tariffs. ASEAN member countries have different kind of: legal systems, laws and regulations, culture, ethnicities, and currencies. Single market area create a market of over 600 million people and it can be competitive. The main question is: what can ASEAN do for the business attractiveness? Answer is: equal laws between foreigners and natives, working legal things like commercial court and other institutions without corruption and protectionism. Institutions must also help the becoming foreign investors. Rivalry about foreign investors will be harder, because the developed countries will compete for the good tax payers and investors also. Therefore ASEAN must have a good business eye, because global business field is full of competitors. It will need know-how, how to create a sustainable growth. For example: investment must be profitable, running a business must be smoothly, low taxation, cheap labor costs, quick bureaucracy, working and equal law-and jurisdiction. What ASEAN must do? ASEAN must create a common law and institutions inside of ASEAN, it is prerequisite for the working single market. Institutions must have power all over the area: those must have power to set sanctions and give advices for investors. Institutions must be linked and there must be a head institutions which can force the new common regulations to practice. Corruption and protectionism must be terminated by sanctions. ASEAN must also learn about EU's mistakes, like currency union and too big bureaucracy. It can implement the best parts of EU. At least it will need deeper political cooperation and quick reforms.

**Keywords:** ASEAN, AEC, FDI, SME, EU

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