**Name: Nur Ahammad**

ID: 1121520011

BBA Program

Batch: 52

Semester: Final 2024

Course Code: IBS 433

Course Title: **International** **Business**

Answer All Questions:

1. Have You Heard the Name Of ASEAN? How It Works?
2. Write Down Key Difference Between USMCA And NAFTA?
3. Briefly Discuss USMCA.
4. Briefly Discuss US-ASEAN Relations.
5. What Key Challenges are Associated with BIMSTEC?

**Answer To the Question NO. 1**

ASEAN stands for the Association of Southeast Asian Nations. It is a regional intergovernmental organization made up of 10 Southeast Asian countries:

1. Brunei
2. Cambodia
3. Indonesia
4. Laos
5. Malaysia
6. Myanmar
7. Philippines
8. Singapore
9. Thailand
10. Vietnam

How It Works

ASEAN was founded in 1967 to promote political, economic, and social cooperation among its member states. Here’s how it operates:

1. Political & Security Cooperation

* Works to maintain peace and stability in the region.
* Promotes diplomatic relations and conflict resolution.
* Collaborates on counterterrorism and cybersecurity.

2. Economic Cooperation

* Established the ASEAN Economic Community (AEC) to promote free trade, investment, and a single market.
* Works to remove tariffs and other trade barriers.
* Encourages cooperation in digital economy, infrastructure, and technology.

3. Socio-Cultural Collaboration

* Focuses on education, healthcare, and disaster relief.
* Promotes cultural exchange and environmental sustainability.

Key Institutions

* ASEAN Summit: Leaders of member states meet to discuss policies.
* ASEAN Secretariat (based in Jakarta, Indonesia) manages operations.
* ASEAN Free Trade Area (AFTA): Reduces tariffs among member states.

ASEAN also has partnerships with global powers like the U.S., China, Japan, and the EU to strengthen trade and security cooperation.

**Answer To the Question NO. 2**

The United States-Mexico-Canada Agreement (USMCA) replaced the North American Free Trade Agreement (NAFTA) on July 1, 2020. While both agreements focus on trade between the U.S., Canada, and Mexico, there are key differences between them:

1. Auto Industry Rules

* NAFTA: Required 62.5% of a vehicle's parts to be made in North America to qualify for zero tariffs.
* USMCA: Increased the requirement to 75%, making more parts sourced from North America.
* New Labor Rules: 40-45% of auto parts must be made by workers earning at least $16 per hour, benefiting U.S. and Canadian workers.

2. Dairy Market Access

* NAFTA: Canada had high restrictions on U.S. dairy products.
* USMCA: Opened up more access to the Canadian dairy market for U.S. farmers.

3. Labor & Environmental Protections

* NAFTA: Had weaker labor and environmental enforcement mechanisms.
* USMCA: Strengthened labor rights, including allowing for independent unions in Mexico and stricter environmental standards.

4. Digital Trade & Intellectual Property

* NAFTA: Signed in 1994, it had no digital trade provisions.
* USMCA: Includes stronger intellectual property (IP) protections and new rules for digital trade, like restrictions on data localization and protection for digital businesses.

5. Sunset Clause

* NAFTA: Had no expiration date.
* USMCA: Includes a 16-year sunset clause, with a review every 6 years to decide if it should be renewed.

6. Dispute Resolution

* NAFTA: Allowed for Chapter 19 dispute resolution, which let countries challenge anti-dumping and countervailing duties.
* USMCA: Kept this mechanism but limited the ability of investors to sue governments (ISDS was mostly removed).

Overall, USMCA modernized NAFTA, making it more worker-friendly, environmentally conscious, and adaptable to the digital economy.

**Answer To the Question NO. 3**

United States-Mexico-Canada Agreement (USMCA) – Overview

The USMCA is a trade agreement between the United States, Mexico, and Canada that replaced NAFTA on July 1, 2020. It aims to modernize trade relations and create fairer economic conditions among the three countries.

Key Features of USMCA

1. Automobile Industry Changes
* Requires 75% of a vehicle's parts to be made in North America (up from 62.5% in NAFTA) to qualify for zero tariffs.
* At least 40-45% of auto parts must be made by workers earning $16 per hour or more.
1. Improved Labor and Environmental Standards
* Strengthens labor rights in Mexico, including independent unions.
* Stricter environmental protections to reduce pollution and deforestation.
1. Dairy Market Access
* Expands U.S. access to the Canadian dairy market, allowing more U.S. dairy exports.
1. Digital Trade & Intellectual Property
* New rules protect e-commerce, digital transactions, and intellectual property rights.
1. Sunset Clause & Review Mechanism
* Agreement lasts 16 years, with a review every 6 years to decide on renewal.

Impact of USMCA

* Boosts U.S. manufacturing and job creation.
* Enhances North American trade with fairer rules.
* Supports small businesses by improving digital trade protections.

**Answer To the Question NO. 4**

The United States and ASEAN (Association of Southeast Asian Nations) have a strong diplomatic, economic, and security partnership. The U.S. became a Dialogue Partner of ASEAN in 1977, and their relationship has grown over the years, focusing on trade, security, and regional stability.

Key Areas of Cooperation

1. **Economic & Trade Relations**
* The U.S. is one of ASEAN’s largest trading partners.
* In 2022, U.S.-ASEAN trade totaled $520 billion.
* The Indo-Pacific Economic Framework (IPEF) strengthens economic cooperation.
1. **Security & Defense**
* U.S. supports ASEAN’s role in regional security and freedom of navigation in the South China Sea.
* Joint military exercises and counterterrorism efforts.
1. **Political & Strategic Cooperation**
* U.S. backs ASEAN’s role in regional stability and conflict resolution.
* Strengthens ASEAN centrality in Indo-Pacific policy.
1. **Education, Health & Environment**
* U.S. invests in education programs, scholarships, and workforce development.
* Supports public health initiatives and climate change efforts in the region.

**Recent Developments**

* 2022: The U.S. and ASEAN elevated their relationship to a Comprehensive Strategic Partnership.
* 2023: U.S. pledged $100 million+ for economic and security cooperation.

**Answer To the Question NO. 5**

**Key Challenges Associated with BIMSTEC:**

BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) is a regional organization that includes Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal, and Bhutan. While it has great potential, several challenges hinder its effectiveness:

1. Lack of Strong Institutional Framework

* BIMSTEC lacks a permanent secretariat with strong enforcement power.
* Decision-making is slow due to consensus-based processes.

2. Inconsistent Political Commitment

* Member countries often prioritize other regional organizations like SAARC or ASEAN over BIMSTEC.
* Changing political leadership in member states affects long-term cooperation.

3. Economic & Trade Barriers

* Intra-regional trade remains low, despite efforts to promote the BIMSTEC Free Trade Agreement (FTA).
* Non-tariff barriers, bureaucratic delays, and weak infrastructure slow trade.

4. Security & Geopolitical Tensions

* Border disputes (e.g.: India-Myanmar tensions and India-Nepal issues) create roadblocks.
* China’s influence in the region affects BIMSTEC’s decision-making, as some countries have closer ties with Beijing.

5. Connectivity & Infrastructure Gaps

* Poor transport links and logistics make trade and movement difficult.
* Delays in key projects like the BIMSTEC Transport Connectivity Master Plan.

6. Natural Disasters & Climate Challenges

* BIMSTEC countries are highly vulnerable to cyclones, floods, and rising sea levels.
* Limited cooperation on disaster response and climate action.

7. Overlapping Memberships

* Many BIMSTEC members are also part of SAARC, ASEAN, or other regional groups, leading to divided attention and resource allocation.