

CRITICAL OUTLOOK AT SPECIAL ECONOMIC ZONE IN ASIA: A COMPARISON BETWEEN INDONESIA, MALAYSIA, THAILAND AND CHINA¹

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ABSTRACT

Special Economic Zones (SEZ) have been proven to help countries in fostering economic growth. The aim of this research is to try to help the government to improve SEZ policies in Indonesia by providing a benchmark with other SEZ countries in China, Malaysia, and Thailand. While China has the most established SEZ program, Malaysia and Thailand also have highly-regarded SEZs and investment incentives. These neighboring countries have developed SEZs in significant quantities but the greatest returns have come from a subsection of large-scale zones with favorable locations, good planning and access to resources. Thailand has a smaller number of zones, but a higher rate of successful zones, such as the automobile cluster which became the anchor of automotive production in Asia. How Indonesia's position compares to these three Asian countries is the main question of this study.

Keywords: *special economic zone, foreign investment, benchmarking, competitiveness, China, Malaysia, Thailand*

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