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## **Key progress in free trade negotiations mark EU Trade Commissioner's first visit to Asia**

*EU Trade Commissioner, Karel De Gucht, has wrapped-up his first official visit to Asia with notable advances in bilateral trade deals in the region. The trip to Vietnam, Singapore and India (1st – 4th March 2010) has underlined Commissioner De Gucht's commitment to pursue new export opportunities in the dynamic emerging Asian markets as Europe seeks to boost growth through increased trade.*

Commissioner Karel De Gucht stated, "I am very pleased that my first visit to the region has led to such concrete developments – especially a deal between the EU and Vietnam to launch future bilateral trade negotiations. This will mean more jobs and greater business opportunities for both sides. At the same time, I hope the launch of trade negotiations in Singapore will encourage other countries in South-East Asia to do the same. Vietnam, Singapore, India and many other Asian countries offer enormous growth potential for Europe's exporters and I want to tap into these opportunities which are so vital to our economic recovery."

In Hanoi, the first stop of the trade tour, Vietnamese Prime Minister Nguyen Tan Dung and Commissioner De Gucht agreed to formally launch a bilateral Free Trade Agreement (FTA). This step marks a clear desire to deepen trade relations and improve the business environment between the EU and Vietnam. The Commission will now consult with Member States and the European Parliament before the European Commission and Vietnam begin work on a framework for the future launch of negotiations.

In Singapore, Commissioner De Gucht and Singapore Minister for Trade and Industry Lim Hng Kiang formally launched the start of bilateral trade talks with the joint aim of concluding a deep and comprehensive FTA as soon as possible. Both sides restated their commitment to work closely at the World Trade Organisation and in particular to advance the conclusion of the Doha Round of negotiations.

In India, talks between Commissioner De Gucht and Minister of Commerce and Industry Anand Sharma have given fresh impetus to an EU-India FTA. Both sides expressed their determination to conclude the FTA negotiations ahead of the EU-India summit in October, in a way that will address all issues of major concern to both parties. The Commissioner and the Minister are prepared to hold fresh talks at their level to ensure that this deadline is respected. Commissioner De Gucht and his Indian counterpart

also discussed the current state of the Doha round and ways to overcome the current difficulties. They share the opinion that between April and the June G-20 summit in Toronto there will need to be Ministerial discussions in order to bring the Doha-round to a good end in 2010 as requested by G-20 Leaders.

## **Background**

### **Vietnam (Monday 1st – Tuesday 2nd March 2010)**

Our annual bilateral trade in goods amounted to almost € 12 billion in 2008, and trade has increased 12% annually during 2004-2008. Within the Association of Southeast Asian Nations (ASEAN), Vietnam is the EU's fifth largest trading partner. The country has seen rapid economic and social transformation over the past decade. It is a good example of an economy successfully opening up to trade and investment and lifting millions of people out of poverty.

Vietnam is today one of the fastest growing and dynamic economies in ASEAN. GDP growth averaged almost 8% during 2003-2008. Even through the global economic downturn in 2009, Vietnam recorded a respectable growth rate of almost 5%.

### **Singapore (Tuesday 2nd – Wednesday 3rd March 2010)**

Singapore is one of the 10 members of the Association of Southeast Asian Nations. The ASEAN countries together are the EU's third largest trading partner outside Europe, with annual bilateral trade in goods and services of some € 175 billion. Almost a third of this trade takes place between the EU and Singapore (€ 55 billion) which makes Singapore by far the EU's most important trading partner in South East Asia. The EU and Singapore also have strong investment ties; the bilateral stock of investment has reached € 100 billion in 2007.

Already today EU companies in many sectors have chosen Singapore as a hub from which to serve the Pacific Rim region, and the FTA would seek to create additional trade and investment opportunities. The ASEAN markets have been identified as priority markets for EU exporters. Last December, EU Member States had given the green light for the Commission to pursue negotiations towards free trade agreements with individual ASEAN countries, beginning with Singapore ( [IP/09/1991](#) ).

### **India (Wednesday 3rd – Thursday 4th March 2010)**

India is one of the fastest growing economies that will reshape the global economic order in the twenty-first century. It combines a sizable and dynamic market of more than 1 billion people with a growth rate of between 8 and 10 %. Its middle class is half the size of the EU with a purchasing power similar to certain EU countries.

India already is an important trading partner for the EU corresponding to € 61 billion in trade in goods in 2008. Although it is far from the closed market that it was twenty years ago, India still maintains substantial tariff and non-tariff barriers that hold trade with the EU below its potential.

The EU and India aim to increase their trade in both goods and services through the negotiations for an ambitious and comprehensive Free Trade Agreement that were launched in 2007. The EU side has made it clear in the past that this Agreement will also need to address questions of sustainable development.

**For further information:**

<http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/regions/asean/>

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