



ENHANCING ASEAN FTA NEGOTIATING CAPACITY PROGRAMME

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PRESS RELEASE

FORUM DISCUSSES THE ROLE OF THE PHILIPPINES IN ASEAN'S ECONOMIC INTEGRATION

On 12th April, the Philippine Chamber of Commerce and Industry (PCCI), through its 'Universal Access to Competitiveness and Trade (U-ACT)' initiative, in collaboration with the EU-ASEAN Programme "Enhancing ASEAN FTA Negotiating capacity", organised a Regional Dialogue Forum in Manila. Focus of discussions were the opportunities, priorities and challenges in establishing the ASEAN Economic Community (AEC) by the end of 2015 and related opportunities, challenges and tasks for the Philippines in this process.

ASEAN is not only pushing ahead with its economic integration, but has also launched negotiations for the ambitious 'Regional Comprehensive Economic Partnership' (RCEP) with the aim to knit together the free trade agreements it has with a variety of partners.

The dialogue forum was the third in a series of ASEAN-based discussion fora.

In his opening remarks, the President of the PCCI, Miguel B. Varela, emphasized the important role of the private sector as a driving force in the AEC-building process. He underlined that economic integration in the region offers the Philippines vast benefits, such as expanding Philippines' markets and its enhanced participation in the global supply chain networks; an improving investment climate, benefits for Philippines consumers through better value for money by way of increased competition and growth in jobs through sustainable economic growth.

In his key note speech, Guy Ledoux, the Ambassador/ Head of the EU Delegation to the Republic of the Philippines, said that the EU and ASEAN are long-term supporters of free trade. He pointed out that the EU is an important partner of ASEAN, supporting it between 2007-2013 alone through assistance programmes amounting to € 1.4 billion (or 73 Billion Pesos), whilst several of the European Union's Member States also provided assistance through their own bilateral cooperation programmes.

Several speakers at this forum, argued that if ASEAN and the Philippines are to move towards greater international competitiveness, they need to more engage relevant stakeholders for getting key information or informed advice that could be relevant for and affect respective policy changes.

Policy-makers were, therefore, urged to adopt a more business-oriented approach in their decision-making processes, whereas businesses were encouraged to more proactively provide policy inputs to the planning and implementation of the AEC-building process.

The Manila Forum was attended by Philippines government officials, EU diplomats, as well as representatives from Philippines' private sector and academia, and advisers from the EU-ASEAN Enhancing ASEAN FTA Negotiating Capacity Programme.

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BACKGROUNDER

Basic trade and investment data

ASEAN is the EU's third largest trading partners outside Europe (after the US and China). Total trade in goods and services between the two sides reached €180 billion (or 9.36 trillion Pesos) in 2012. The EU, in return, is ASEAN's second largest trading partner after China, accounting for around 11% of total ASEAN's trade with the rest of the world.

The EU is by far the largest foreign investor in ASEAN, holding around a quarter of all investment stocks in ASEAN. EU companies invested around €16 billion in ASEAN in 2011 alone.

EU-Philippines trade also continues to expand, with a continuous trade surplus for the Philippines: In 2011 alone, EU-Philippines trade in goods was worth over €9 billion, with over €5 billion in Philippines' exports to the EU (and therefore a trade surplus of € 1.1 billion). Likewise, Filipino investors have cumulatively invested some €1.7 billion in the EU in 2010, which indicates that about 1/3 of Philippines' overseas direct investments are made in the EU.

EU-ASEAN's "Enhancing ASEAN FTA Negotiating Capacity Programme"

The Programme is the product of a long-standing partnership between the EU and ASEAN. It specifically supports ASEAN economic integration and its building of an economic community, to be achieved by end 2015; it also strengthens the capacity of ASEAN Member States to negotiate FTAs. The Programme, which started in February 2011 and will run until November 2013, provides high-quality trade-related training for ASEAN government officials and private sector representatives. It also organizes consultations and public outreach activities, in order to increase public awareness of ASEAN-EU trade and investment relations.