ASEAN and the EU

The EU and ASEAN have a dynamic partnership in a number of areas, from political dialogue, cooperation in non-traditional security areas, trade and investment relations, connectivity, to cooperation in community building among ASEAN Member States.

Political dialogue and security cooperation

Working closely for 40 years

The dialogue between the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) spans more than 40 years. The European Economic Community (EEC) was the first entity to establish informal ties with ASEAN in 1972.

The 10th ASEAN Foreign Ministers Meeting in 1977 formalised relations, which were institutionalised with the signing of the ASEAN-EEC Cooperation Agreement in March 1980.

ASEAN-EU relations are guided by the Nuremberg Declaration on an EU-ASEAN Enhanced Partnership, adopted in March 2007. The Declaration sets out the long-term vision and commitment of both sides to work together.

With the adoption of the ASEAN Charter in 2008, the EU initiated formal diplomatic relations with ASEAN in March 2009, followed by the EU countries.

In 2012, the EU became the first regional organisation to accede to the Treaty of Amity and Cooperation in Southeast Asia (TAC) — an important milestone, boosting the EU's political and security engagement with the region.

On 8 August 2015 (ASEAN Day), the EU established a diplomatic Mission to ASEAN and appointed a dedicated Ambassador. In addition, there are currently 25 Ambassadors from EU countries accredited to ASEAN.

Recent developments

- In May 2015, the EU High Representative for Foreign Affairs and Security Policy and the European Commission adopted the Joint Communication: The EU and ASEAN: a partnership with...
a strategic purpose, putting forward specific ideas for taking relations to the next level.

- The proposals contained in the Joint Communication were later endorsed by EU countries in the Conclusions of the EU Foreign Affairs Council in June 2015. This states clearly the EU’s commitment to continue supporting the establishment of the ASEAN Community while strengthening EU-ASEAN cooperation on issues of common concern, global challenges and the most advanced regional integration projects in the world.
- The first ASEAN-EU Policy Dialogue on Human Rights was held in October 2015, addressing issues such as women's rights, child protection and the safety of migrant workers.
- In April 2016, the EU High Representative for Foreign Affairs and Security Policy/Vice President of the European Commission (HRVP) paid an official visit to the ASEAN Secretariat in Jakarta. She met with the Secretary-General and the Committee of the Permanent Representatives to ASEAN (CPRs).
- The European Council President, Herman Van Rompuy, met with the CPRs in November 2014 at the ASEAN Secretariat.

Security and defence cooperation

The EU is a founding and active member of the ASEAN Regional Forum (ARF), which aims to foster constructive dialogue and consultation through confidence building and preventive diplomacy in the Asia-Pacific region with a view to ensuring peace, prosperity and stability in the region and beyond.

The EU and ASEAN have also been working in many non-traditional security areas, such as maritime security, conflict prevention, mediation and reconciliation, crisis management, transnational crime, counter-terrorism, cyber security and non-proliferation.

Many important steps have been taken to enhance EU-ASEAN cooperation in the area of security and defence policy, for example:

- A High Level Dialogue (HLD) on Maritime Cooperation was initiated and held in 2013 and in 2015, as a platform for exchanging views, best practices and lessons learnt in this complex and challenging area. While complementing the work of other ASEAN-led processes (ASEAN Defence Ministers’ Meeting-Plus and ASEAN Expanded Maritime Forum), the ASEAN Member States see merits and added value in engaging with the EU and its countries in this area and asked for this dialogue to be held at regular intervals. New editions of the HLD are confirmed for 2016 and 2017 to be hosted by ASEAN Member States.
- A second ASEAN Border Management and Migration Programme began work in 2015, supporting ASEAN community building processes while providing support and capacity building to address trans-national crime challenges.
- A regional chemical, biological, radiological and nuclear defence (CBRN) project has managed to engage all ASEAN Member States in regional activities, and established a Centre of Excellence (CoE) in Manila.
- In 2014 and 2015, the EU hosted two Orientation Courses on the EU Common Security and Defence Policy (CSDP), with a special focus on EU-ASEAN relations. Considering the success of the first two editions, the EU will organise more such courses in the near future.
- The EU was instrumental and assumed leadership with ASEAN Member States’ support in moving forward the ARF agenda from Confidence Building Measures (CBM) to Preventive Diplomacy (PD) and Mediation. This was achieved by organising — with Brunei (in 2014) and Indonesia (in 2015) — two events and training sessions on PD and mediation. The last one marked an important moment by bringing, for the first time, the ASEAN Institute for Peace and Reconciliation (AIPR) under the ARF umbrella.
- In April 2016, the EU participated, for the first time, in the multinational naval exercise hosted by Indonesia. Komodo 2016 offered the chance to share best practices and learn lessons from
the EU experience in engaging in naval military and peacekeeping operations.

While participating in many ongoing security and defence cooperation activities, the EU is also looking for ways to increase its engagement with all ASEAN-led mechanisms and processes in this field. These and many other developments are invaluable stepping stones towards upgrading the partnership between the EU and ASEAN.

**Economic and trade relations**

The EU is actively engaged with ASEAN in expanding trade and investment relations, which have intensified considerably during the last decade.

The EU has become ASEAN's second largest trade partner (after China). Meanwhile ASEAN, as a whole, is the EU’s third largest trade partner outside Europe (after the US and China) with bilateral trade in goods and services reaching €246.6 billion in 2014.

The EU is the biggest investor in ASEAN economies:

- Total Foreign Direct Investment (FDI) inflow of €131.6 billion from the EU accounts for 22 % of the total investments made in the region — nearly a quarter of the total FDI stock.
- EU companies have been investing an average of €12 billion annually in the region since 2004.
- The EU and its countries invest seven times more than the US, and two times more than China. In fact, in 2014, EU investments in the ASEAN region amounted to as much as US and Japan FDI combined.

ASEAN is a growing market:

- If ASEAN were a single economy, it would already be the seventh largest in the world.
- With an impressive annual average GDP growth rate of 5.5 %, and a market that represents a population of more than 625 million people, ASEAN is set to become the fourth largest economy in the world.

ASEAN's export potential is growing:

- During the past decade, EU imports from ASEAN grew by more than 40 % and EU exports to ASEAN rose by more than 80 %.
- The EU’s major exports to ASEAN are machinery and transport equipment, chemical products, and base metals.
- Principal ASEAN exports to the EU include textiles and garments, chemicals, electronic equipment and appliances, and consumer goods.

In order to establish ties that would benefit the 1.1 billion people of both regions combined, economic cooperation is furthered through:

- The **EU-ASEAN Dialogue** at Ministerial level, which includes discussions on trade- and investment-related issues.
- **Joint seminars** on topics such as regional economic integration, liberalisation of services and technical barriers to trade.
- The **EU-ASEAN Business Summit**, which takes place on a regular basis and brings together business leaders and policymakers.
Negotiations for an ambitious region-to-region Free Trade Agreement (FTA) were launched in 2007, but paused in 2009 due to limited progress. While a region-to-region agreement still remains the ultimate objective, the EU will, in the meantime, pursue FTAs with individual ASEAN countries:

- FTAs were concluded with Singapore in 2013, and Vietnam in 2015.
- Negotiations were launched with Malaysia in 2010, and Thailand in 2013, but are currently on hold.
- Negotiations for an investment protection agreement with Myanmar have been ongoing since 2014.
- The launch of negotiations with the Philippines was announced in 2015.
- The conclusion of the preparatory discussions for a Comprehensive Economic Partnership Agreement (CEPA) with Indonesia was announced in April 2016. This will pave the way for the formal launch of the CEPA negotiations.
- Cambodia and Laos fall under the EU's Everything But Arms (EBA) scheme and all their exports are thereby granted duty-free and quota-free access to the European market, with the exception of arms and armaments.

The European Commission is also about to obtain a mandate from EU countries to negotiate an ambitious agreement on air transport with ASEAN.

**Supporting ASEAN’s community building**

The EU is a major development partner for ASEAN, actively supporting the ASEAN Member States and institutions in their efforts to deepen regional integration. The EU has been providing technical assistance, capacity building, lessons learnt and best practices in creating an internal market. This has also implied lending EU support to ASEAN institutions that are instrumental in supporting ASEAN’s regional integration objectives, such as: ASEAN stats, the ASEAN Secretariat Monitoring Office, the ASEAN Centre for Energy, the ASEAN Biodiversity Centre, and a Centre of Excellence (CoE) on CBRN.

To strengthen the ASEAN-EU partnership, the Bandar Seri Begawan Plan of Action was adopted in 2012. The Plan of Action — covering 2013-2017 — goes beyond the traditional economic focus. It also promotes strategic regional cooperation in order to maintain peace, security and stability and political dialogue in non-traditional security areas.

The 20th EU-ASEAN Ministerial Meeting in Brussels in July 2014 explored ways to elevate relations to the level of a strategic partnership, marking the start of a renewed engagement between the two partners.

**EU Development Cooperation with ASEAN**

For 2014-2020, the EU has significantly increased its development cooperation funds. More than €170 million has been earmarked to fund the ongoing and post-2015 ASEAN regional integration agenda — more than doubling the amount for 2007-2013. In addition, the EU has pledged over €3 billion to reduce poverty and address development gaps in low-income ASEAN countries.

Ongoing cooperation programmes cover a multitude of activities:

- The EU supports capacity building for regional economic integration in areas such as trade and transport, harmonisation of standards (ARISE), air transport (AATIP), monitoring and statistics (COMPASS), and the protection of intellectual property rights (ECAP III).
For socio-cultural connectivity, the EU promotes regional integration in the field of higher education (SHARE), and contributes to strengthening the capacity of ASEAN's emergency management systems. This includes providing support to the ASEAN Coordination Centre for Humanitarian Assistance (AHA Centre) so it can achieve operational excellence in disaster monitoring and emergency response.

The EU also supports the ASEAN bodies in developing their human rights policies (READI Human Rights Facility). The cooperation agenda for 2014-2020 was agreed at the 21st EU-ASEAN JCC Meeting and focuses on three sectors:

1. **Connectivity: sustainable and inclusive economic integration** (€85 million/50% of the funding)

   - A key goal is to improve connectivity between the ASEAN Member States through sustainable, inclusive economic integration and trade. Special attention is paid to countries that most recently joined ASEAN — Cambodia, Laos, Myanmar and Vietnam.
   - The cooperation agenda foresees enhanced dialogue and interactions on trade-related regulatory and policy frameworks, intellectual property, standards, customs and transport, civil aviation — and more (ARISE Plus).
   - In 2015, a programme to support farmers' organisations (AFOSP) began work. In addition, a study facility to support the green economy and urban development in ASEAN will soon follow (the Asia Investment Facility).

2. **Climate change, environment and disaster management** (€60 million/37.5%)

   - In the area of climate change, priority has been given to the sustainable use of peatlands and reducing problems caused by haze; environmentally sustainable, low carbon and climate resilient cities; and environmental education.
   - EU support to strengthen disaster management capacities in ASEAN will also continue.
   - An added focus on Biodiversity Conservation and Management of Protected Areas is expected to follow.

3. **Comprehensive Dialogue Facility** (€25 million/12.5%): Improving the Comprehensive Policy Dialogue Facility — E-READI — will help ASEAN increase regional integration and reduce poverty.

   - E-READI offers technical assistance and dialogue with the EU in multiple sectors:
     - Human rights, maritime cooperation, peace and reconciliation, election observation, migration and mobility in the Security and Political pillar;
     - Science and technology, ICT, energy, trade, agriculture and natural resources, forestry in the Economic pillar;

Climate change, environment, disaster management, education and youth, development goals, health and communicable diseases, food safety, culture and media, and tourism in the Socio-Cultural pillar.

**See also**

ASEAN-EU Cooperation 2014-2020
ASEAN-EU Cooperation 2007-2013
www.eeas.europa.eu

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