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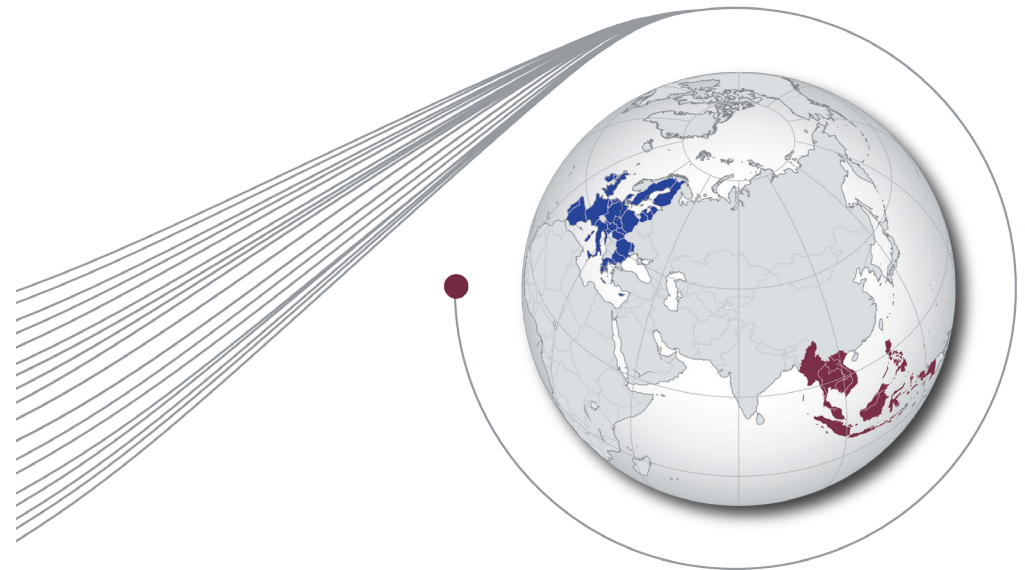
MAPPING EU-ASEAN Relations

Gauri Khandekar

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About FRIDE

FRIDE is an independent think-tank based in Madrid and Brussels. Our mission is to inform policy and practice in order to ensure that the EU plays a more effective role in supporting multilateralism, democratic values, security and sustainable development.

About AGORA ASIA-EUROPE

Agora Asia-Europe is a knowledge hub on EU-Asia relations, which connects think-tanks, analysts, policy-makers, opinion leaders and other experts from both regions to discuss ways to add input and guide the EU's approach towards Asia.

Preface

This publication, the first study of its kind, provides an in-depth review of the European Union's (EU) relationship with the Association of Southeast Asian Nations (ASEAN) and each of the 10 ASEAN member countries. Individual country briefs assess the state-of-play of the EU's bilateral relations with ASEAN states and outline their strengths and weaknesses, priorities and outlook. The publication draws on an extensive collection of statistical data and other indicators across a variety of policy areas, and calls for a strategic partnership between the two regional organisations.

The purpose of this exercise is not to provide comprehensive coverage of all relevant statistical information or a conclusive analysis of the politics and perspectives of each bilateral relationship. 'Mapping EU-ASEAN relations' seeks, rather, to capture some of the salient features of each partnership and of the respective partners. This publication aims to help foster debate on the definition of the EU's bilateral partnership with ASEAN – an important dimension of the Union's presence and role in a global region of growing economic and political significance.

The study relies on a number of interviews carried out between January and October 2013 with EU and ASEAN officials in Brussels and visiting experts from Asia. Data have been drawn from a variety of authoritative sources, including the United Nations, the World Bank, the International Monetary Fund, the International Energy Agency, the US Energy Information Administration, the Asian Development Bank as well as the EU and ASEAN. Non-governmental sources include the World Economic Forum, INSEAD Business School, Transparency International, as well as think tanks such as the Stockholm International Peace Research Institute (SIPRI). The author wishes to thank Shada Islam, Director of Policy at Friends of Europe, for reviewing the publication, the many EU and Asian officials who shared their views, as well as Filip Ciortuz and Charline Quillerou for related research assistance.

EU-ASEAN relations: Time for a strategic partnership

Introduction

The European Union (EU) and the Association of Southeast Asian Nations (ASEAN) have much in common. For one, they are both regional organisations directed to manage interdependence and deal with security challenges. While their historical background and degree of integration may differ, they correlate as natural partners, as well as regional power centres. Since the establishment of formal ties in 1980, bilateral relations have progressed significantly and the partnership has weathered numerous tribulations along the road. The EU has been instrumental in mentoring the ASEAN integration process. Today, EU-ASEAN bilateral ties are thoroughly multi-layered and comprehensive, and cover a wide array of issues, ranging from development to economics, trade and investment, aid, and political and cultural affairs. Since 2012, there has been an increase in high-level bilateral visits and the initiation and completion of various agreements between the EU and ASEAN member countries. The EU is ASEAN's third-largest trading partner, while ASEAN is the EU's fifth largest. The EU is also the largest source of foreign direct investment (FDI) and critical development and humanitarian aid to the region. Yet, the importance of the relationship and its potential are underrated.

ASEAN in the regional context

POLITICS AND ECONOMICS

The ASEAN integration process and the bloc's role have developed into key features of Asian geopolitics in recent years, especially as the global economic centre of gravity shifts towards the continent. ASEAN's strategic location, straddling emerging giants India and China, the Indian and Pacific Oceans, and the Asian and Australian continents, places it at the core of the region's political topography. Three crucial international maritime chokepoints (the Straits of Malacca, Sunda, and Lombok-Makassar) lie in ASEAN's territorial waters. As a grouping of 10 rapidly developing economies, ASEAN has also integrated itself well into the region's economic architecture, having signed Free Trade Agreements (FTAs) with every country except for North Korea.

The Asian theatre is changing dramatically with the rise of China, the United States' (US) 'rebalancing' towards

Asia, and the economic growth of India (despite the current slowdown) and of most Asian countries. Interconnectivity (including infrastructure, flight connections, shipping, trade, and investment) has reached unprecedented levels amidst the continent's evolving economic and security landscape. While territorial disputes are escalating in the region, a culture of inclusivity and partnership diplomacy is also developing. ASEAN is playing an increasingly important role in regional geopolitics by leading efforts to create an architecture of ASEAN-sponsored regional platforms.

These include the ASEAN Regional Forum (ARF), ASEAN Plus Three (ASEAN, China, Japan, and South Korea), ASEAN Plus Six (ASEAN, China, Japan, South Korea, India, Australia, and New Zealand), the East Asia Summit (EAS, including the ASEAN Plus Six as well as Russia and the US), and the ASEAN Defence Ministers Meeting Plus (ADMM+). The ARF brings together foreign ministers of important global actors, including the EU, to discuss critical regional and international issues. The ADMM+, launched in October 2010, is the region's first official framework that brings together defence ministers of 18 countries – 10 ASEAN members plus Australia, China, India, Japan, New Zealand, Republic of Korea, Russia, and

the United States. The ADMM+ is emerging as an important forum for defence diplomacy and cooperation and has a year-round working process under five Expert Working Groups (EWGs): humanitarian assistance and disaster relief (HADR), maritime security, military medicine, counter-terrorism, and peacekeeping operations. ASEAN's tabletop exercises on disaster management too have been useful in building trust amongst various participant nations and in identifying weak points in their capabilities and level of inter-operability. ASEAN also sponsors two key regional free trade initiatives, namely the ASEAN Free Trade Area (AFTA) among its member countries, and the Regional Cooperation Economic Partnership (RCEP). The latter, which is currently under negotiation, aims to coalesce ASEAN's bilateral FTAs with Australia, China, India, New Zealand, South Korea, and Japan.

At the same time, ASEAN aims to establish a deeper economic community by 2015. This would build on a tripartite structure:

a political-security community, an economic community, and a socio-cultural community. By 2015, the ASEAN Economic Community is expected to resemble an EU-style common market, with free movement of goods and services, investment and capital, as well as skilled labour. As of late 2013, over 80 per cent of all action lines directed to building the ASEAN Community had been completed or were being implemented.

RISE AMIDST CHALLENGES

ASEAN finds itself at the centre of important security hotspots or international tensions, such as the South China Sea dispute, which carry growing implications for global affairs. Despite the fact that there are some ASEAN member states involved in the aforementioned dispute, ASEAN as a bloc has made remarkable efforts at peacefully managing the issue, especially through the establishment of a regional code of conduct. Such engagement, however, has sometimes come at the cost of ASEAN's unity. China has been able to curry favour in Cambodia, Myanmar, the Lao People's Democratic Republic (PDR) and at times even Indonesia. The failure for the first time in ASEAN's 45-year history to issue a joint communiqué following a foreign ministers' meeting in July 2012 in Phnom Penh brought to the fore the existing differences among member states. Cambodia, as

ASEAN Chair in 2012, rebuffed its ASEAN neighbours on any mention of issues regarding Exclusive Economic Zones (EEZ) and the Scarborough Shoal – contentious topics in the context of the South China Sea dispute. Nonetheless, after intense shuttle diplomacy efforts by Indonesian Foreign Minister Marty Natalegawa, a document entitled 'ASEAN's Six-Point Principles' on the issue of the South China Sea was adopted a week later.

Despite growing political turbulence in East Asia, ASEAN's role in the region has been significantly expanding over the past decade. Today, it helps facilitate dialogue among major powers (China, India, Japan, and the US) through a policy of leveraged equidistance – all actors have an equal status at the table, no one country drives the agenda, and no countries are singled out or excluded. Maritime security is a particularly serious challenge, not only in South-East Asia, but throughout the Asian continent too: from the Gulf of Aden to the East China Sea. Building cooperative solutions that include all actors is a key priority for the years to come. ASEAN's Expanded Maritime Forum (AEMF), held for the first time in 2012 amongst ASEAN members, plus Australia, China, India, Japan, New Zealand, South Korea, Russia, and the US, focused on the relevance of the United Nations Convention on the Law of the Sea and new dispute settlement mechanisms. Noticeably, the EU was not involved.

ASEAN has sought to assume the role of the region's peace-builder. As such, ASEAN could become an important gateway for the EU into Asia. With the growing influence of China in the Asian continent and the US rebalancing towards Asia, it is vital for the EU to step up its own engagement in the region. An upgrade in EU-ASEAN bilateral relations is needed to underpin changing dynamics in a challenging geopolitical and economic environment.

EU-ASEAN relations

The EU-ASEAN relationship is an evolving one, which advances as the two organisations develop. This provides much scope for innovation. The similarities in terms of identity and ambitions between the two parties, as organisations aimed at promoting regional cooperation, has been the foundation on which relations were built. Both intend to enhance security, prosperity, and regional stability, although by following different approaches to regional integration. Being more advanced, the European project has been an inspiration for ASEAN. Cooperation on regional integration has been the bastion of EU-ASEAN ties. The EU has played an important role by mentoring and supporting ASEAN not only through

financial assistance, but also by sharing best practises and experiences, exchanges, and numerous concrete projects. As a result, ASEAN today is arguably the most advanced regional organisation in the world after the EU.

In April 2012, the EU and ASEAN signed in Bandar Seri Bagawan (Brunei) a new 5-year Plan of Action, which provides a political framework to strengthen dialogue. It builds on the ASEAN-EU Plan of Action to Implement the Nuremberg Declaration on an EU-ASEAN Enhanced Partnership (2007–12). The main gist of the new plan is engagement on a number of issues beyond trade, reflecting the EU's interest to collaborate more with ASEAN on political issues. It does not, however, constitute a major leap into completely new areas of collaboration, but is rather an effort at formalising cooperation by enumerating projects and programmes on which both sides can work together in the politico-security and socio-cultural fields in addition to economic and trade issues. The partners have also provided for an annual review

mechanism to be carried out through the ASEAN-EU Joint Cooperation Committee (JCC) and the ASEAN-EU Senior Officials Meeting (SOM), on top of the annual EU-ASEAN Foreign Ministers Meeting. The first meeting between the EU and ASEAN Committees of Permanent Representatives took place in February 2014 in Brussels. The Bandar Seri Bagawan Plan of Action ushers in a new phase in the ASEAN-EU partnership by acknowledging important changes that are taking place on both sides, especially as concerns ASEAN's regional integration goals – the ASEAN Community by 2015 and beyond.

The EU supports the 3-pillar blueprint that ASEAN aims to establish by 2015. Apart from sharing expertise in several fields (see box 1), during 2007–13 the EU provided around €70 million to support the ASEAN integration process. Other international actors like the US, Australia, Japan or the Asian Development Bank (ADB) also provide crucial assistance. However, and in spite of European political strains and the economic crisis, the EU is the only international actor who can share decades of experience in terms of confidence-building, resource-pooling, and shared decision-making, thereby helping foster regional cooperation within ASEAN. Working with ASEAN concurrently fulfils two of the EU's own key ambitions: enhancing its presence in Asia and supporting regional cooperation and multilateralism at large.

EU support to ASEAN

Examples of EU-funded projects include:

- The ASEAN Regional Integration Support from the EU (ARISE), with a budget of €15 million running from 2012 to 2015. It aims to help achieve the ASEAN single market and production base through a number of regulatory measures facilitating the free movement of goods across South-East Asia. It targets the Master Plan for ASEAN Connectivity and helps strengthen the capacity of the Jakarta-based ASEAN Secretariat. ARISE follows from APRIS II (ASEAN-EU Programme for Regional Integration Support), which ran from 2006 to 2010 with a budget of €7.2 million.
- An ASEAN-EU agreement worth €2.5 million (2011–13) aims at strengthening the negotiating capacity of ASEAN member states in trade negotiations, thus supporting ASEAN integration.
- The EU-ASEAN Statistical Capacity Building Programme (EASCAB) (€6 million from 2009–12), has supported ASEANstats in the ASEAN Secretariat in carrying out the harmonisation and integration of statistical data of ASEAN member states' National Statistical Offices.
- The EU-ASEAN Project on the Protection of Intellectual Property Rights (ECAP) III supports ASEAN in protecting and enforcing intellectual property rights (copyrights and geographical indications). It follows from ECAPs I and II and runs from 2010–14, with a budget of around €4.5 million.

- The EU is assisting ASEAN in a Migration and Border Management Programme that will help strengthen cooperation amongst various National Border Management Agencies within ASEAN, thus facilitating the ASEAN single market.
- The European Instrument for Democracy and Human Rights (EIDHR) funded a key study tour in 2011 to the EU for the ASEAN Inter-governmental Commission on Human Rights (AICHR) to gain first-hand knowledge on the promotion and protection of human rights at the regional level. The visit was conducted with a view to preparing the ASEAN Declaration on Human Rights, a landmark document that establishes a framework for human rights cooperation in the region and contributes to the ASEAN community building process. This declaration was adopted in November 2012.
- In a region that suffers 60 per cent of the world's natural disasters, the EU has been helping to improve the ASEAN Coordinating Centre for Humanitarian Assistance and create better links among national humanitarian assistance centres within ASEAN.
- The READI Facility (€4 million, 2011–14) – Regional EU-ASEAN Dialogue Initiative – fosters exchanges and policy dialogue by supporting study visits, seminars, and other interactive measures in key areas such as disaster risk reduction, science and technology, information and communication technologies, energy, climate change, civil society, and social inclusion. EU SHARE (€10 million, 2013–17) –EU Support to Higher Education in ASEAN Region – aims to harmonise mutual recognition systems among higher education institutions within ASEAN.
- 4,000 ASEAN students travel to the EU each year on academic scholarships (250 under the EU Erasmus Mundus programme, 25 benefiting from Marie Curie Fellowships, and many others on various EU member state scholarships). In addition, 212 ASEAN research institutions participated in the EU's Research Framework Programme 7 (2007–13).

TRADE AND INVESTMENT

Economics is a key dimension of the EU-ASEAN partnership. According to the European Commission, in 2012 bilateral trade in goods reached €181.36 billion. The EU is ASEAN's third-largest trading partner after China and Japan, accounting for 9.8 per cent of ASEAN's total external trade. With a share of 5.2 per cent of the EU's total external trade, in 2012 ASEAN was the EU's fifth-largest trading partner after the US, China, Russia, and Switzerland. The EU's top five trade partners in the bloc are Singapore, Malaysia, Thailand, Indonesia, and Vietnam.

Singapore accounts for more than 35 per cent of the EU's total trade with ASEAN and is the only ASEAN member state with which the EU enjoys a trade surplus. Indonesia, which represents 40 per cent of ASEAN GDP, accounts for only 7.25 per cent of total EU-ASEAN trade in goods. In terms of services, Singapore is again the EU's top trade partner within ASEAN, followed by Malaysia, Thailand, Indonesia, and the Philippines (2012). Only Thailand enjoys a surplus in services trade with the EU. From 2010 to 2013, trade in goods with

ASEAN increased by 39.5 per cent and trade in services by 27 per cent despite the difficult economic climate. As Least Developed Countries (LDCs), Cambodia, Lao PDR and recently Myanmar benefit from the EU's Everything But Arms (EBA) scheme, enjoying duty and quota-free access on all exports except arms and ammunition to the European single market.

The EU is the top investor in ASEAN, with an annual €9.1 billion on average over 2000–9. In light of the financial crisis, in recent years EU FDI outflows to ASEAN have been very volatile: from €25 billion in 2008 to less than €6 billion in 2009, while FDI inflows from ASEAN stood at €2.59 billion. In 2010, EU outward FDI stock to ASEAN was €192.7 billion and EU inward FDI stock from ASEAN was €67.9 billion, of which Singapore was the largest source (over 95 per cent).

Following the failure of initial efforts to construct a region-to-region FTA, initiated in 2007, in 2009 the EU decided to pursue a strategy of 'bilateral building bloc FTAs' with a set of ASEAN members. This has been criticised as detrimental to ASEAN unity and EU ambitions to foster regional integration. In addition, these negotiations were initially to be preceded by Partnership and Cooperation Agreement (PCA) talks, which tend to last for years and include cumbersome ratification processes by both sides. With a view to reducing the length of the process and tapping into

an increasingly prosperous ASEAN market, today the EU pursues both FTA and PCA negotiations in parallel. While the pursuit of bilateral FTAs has been challenging, it will be even more difficult to seam them together given the differing levels of ambition. The most advanced of these agreements is the EU-Singapore FTA.

Ongoing FTA and PCA negotiations with ASEAN members have become a key aspect of EU-ASEAN relations. PCAs have been concluded with Indonesia (signed in 2009, ratified by Indonesia in 2012, ratification pending by the EU), Philippines (signed in 2012, ratification pending by both sides), Vietnam, and Singapore, while negotiations with Thailand and Malaysia are ongoing. Meanwhile, the FTA with Singapore was completed in December 2012, although it has not yet entered into force. FTA negotiations have been launched with Malaysia (in 2010), Vietnam (in 2012), and Thailand (in 2013), and scoping exercises are ongoing with the Philippines, Brunei, and Indonesia.

POLITICAL COOPERATION

Beyond sharing experiences and providing support to ASEAN's regional integration efforts, the EU has been an important development partner to the bloc. Over decades, EU development and humanitarian aid has had a significant impact

on large sections of ASEAN society and in strategic areas like poverty alleviation, elevating local standards of living, support to farmers and small industries, health and education, law enforcement, government reform, mine action, and focused support for vulnerable sections of society. From 2007–12, the EU extended around €2 billion to individual ASEAN member states and €70 million was offered to the ASEAN Secretariat, in addition to sums granted by individual EU member states. EU emergency assistance and disaster relief aid too have been crucial, especially in a region that for the past 30 years has suffered most of the world's fatalities arising from natural disasters (the Asia Pacific region has endured over 90 per cent of global natural disaster fatalities in the same period, according to the United Nations Economic and Social Commission for Asia and the Pacific – UNESCAP). Within the last two decades, the European Community Humanitarian Office (ECHO) has channelled around €14 billion to victims of conflict and disasters globally, a significant percentage of which has been directed towards South-East Asia.

EU engagement has not eschewed involvement in domestic politics in ASEAN countries, seeking to support institution- and capacity-building and democratic transitions. Good governance, respect for human rights, and democracy have consistently been mainstreamed into EU-ASEAN cooperation and dialogue. The hallmark of such engagement has been the EU's strong stand

against the up until recently authoritarian regime in Myanmar, which very much affected EU-ASEAN relations too. Not only did the EU protest against Myanmar's accession to ASEAN in 1997 by suspending ministerial-level talks with the bloc, but it also refused to attend the ASEM summit if Myanmar were to join. Leading the international estrangement of Myanmar, the EU championed the cause of democracy and its advocates. The EU already holds bilateral local human rights dialogues (at the level of heads of EU missions) with Indonesia, Cambodia, Vietnam, and Lao PDR. Given its remarkable political transformation, such a dialogue could be held with Myanmar in the near future. While these dialogues have had little demonstrable impact on the countries involved, they have nonetheless benefitted civil society in countries where civil society groups have been invited to participate.

The EU has actively sought to broaden the political dimension of its relations with ASEAN. Today, a number of initiatives, especially in the security sector (both traditional and non-traditional security), have helped up the ante on the EU's political engagement with the bloc. The partners cooperate

on issues such as disaster preparedness, mediation and reconciliation, migration and mobility, border protection, maritime issues, climate change, energy, counter-terrorism, preventive diplomacy, crisis management and response, and counter-trafficking. In 2003, a few months after the Bali bombings that cost the lives of 49 European citizens, the EU and ASEAN signed a Joint Declaration on Cooperation to Combat Terrorism at the 14th Ministerial Meeting. While operational cooperation remains limited, consultations have increased. Together with Singapore, Norway, and contributing ASEAN member states, the EU also deployed a Common Security and Defence Policy (CSDP) monitoring mission in Aceh, Indonesia (Aceh Monitoring Mission), which lasted from September 2005 to June 2012.

A new comprehensive ASEAN-EU Migration and Border Management Programme (€4.7 million, 2012–15) helps increase border control efficiency in the ASEAN region, as well as intra-regional connectivity. With Myanmar, the EU is co-chairing an ARF inter-sessional group (ISG) on Confidence Building Measures and Preventive Diplomacy. The first meeting was held in December 2013 in Yangon, and the next is scheduled to take place in Brussels in April 2014. EU support to the implementation of the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) and the ASEAN Coordinating Centre for Humanitarian

Assistance on Disaster Management (AHA Centre) has also been instrumental.

In 2013 the EU contributed with €30 million to ethnic peace processes in Myanmar, in addition to €700,000 as start-up funds to the Norwegian-funded Myanmar Peace Centre in Yangon. The EU is also extending support to the South-East Asian Chemical, Biological, Radiological and Nuclear (CBRN) Centre of Excellence, established in the Philippines in 2013, as well as engaging on mediation consultation with the ASEAN Institute for Peace and Reconciliation.

The EU participates in a series of ASEAN-sponsored and other regional politico-security oriented fora. It has been a regular participant since the tenure of High Representative Javier Solana, who maintained frequent contacts with Asian governments. Following a lull in attendance to the region's fora and in bilateral visits, the years 2012 and 2013 witnessed a marked rise in visits by top EU officials (Presidents Van Rompuy and Barroso, High Representative Ashton, and several commissioners), as well as EU member states' leaders and ministerial delegations. The EU has also expressed much interest in cooperating with the US in Asia following Washington's rebalance towards the region, as can be seen in a joint statement issued on 12 July 2012 in Phnom Penh, Cambodia. Ensuring sustainable stability in Asia, especially by

empowering ASEAN, is a priority for the EU. To this extent, the Union has voiced concerns over rising insecurity and backs ASEAN's proposal for a code of conduct in the South China Sea, as well as a peaceful resolution of the dispute.

But the EU could do more to strengthen its political presence in the region. Much cooperation on political issues such as maritime security, counter-terrorism, cyber-security, trafficking, and confidence-building has been limited to conferences and workshops, visits to EU institutions, consultations or joint seminars. Concrete capacity-building could be expanded in some areas or started for example on the issue of maritime security. Enhancing the capability and role of regional initiatives like the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships (ReCAAP) – an effective clearinghouse of information – could be a valid option. The United Kingdom, the Netherlands, and Denmark are members of ReCAAP, and the EU should consider applying for membership.

The ADMM+ has emerged as an important security framework, where defence officials meet regularly during the course of the year and the region's militaries have the opportunity to cooperate in a multilateral setting. The conduct of joint country military exercises involving 18 countries in areas such as maritime security, humanitarian assistance,

disaster relief, military medicine, or counter-terrorism is the most significant feature of this forum, which fills an important void in the region's security architecture. The EU should endeavour to seek membership of the ADMM+, which would allow it to show its commitment and further contribute to regional stability while it awaits membership to the EAS. This could also provide the basis for future cooperation, including through the CSDP.

Asia's regional architecture is becoming increasingly specialised and issue-focused. To this extent, in order to engage in the region's dialogue on maritime issues, the EU should also seek to be included in the ASEAN Expanded Maritime Forum.

GLOBAL GOVERNANCE ISSUES

The population of the EU and ASEAN combined surpasses 1.1 billion people. Both have an important stake in global affairs and in building an organised multipolar world. Indonesia and the ASEAN Chair (as observer) participate in important

global platforms like the G20. The EU and ASEAN find themselves on similar wavelengths on a number of critical international issues, where the EU often faces resistance from some of its so-called strategic partners.¹ Climate change and non-proliferation are two such examples.

While the EU has led international efforts for concerted action to counter climate change, ASEAN as a group has also sought to reach a comprehensive multilateral agreement. ASEAN countries are acutely vulnerable to climate change. A 2009 Asian Development Bank (ADB) report states that South-East Asia ‘is likely to suffer more from climate change than the rest of the world, if no action is taken’. While ASEAN member states have distinct national positions, there is a shared understanding at the regional level on this issue. The 2011 statement of ASEAN leaders on climate change explicitly recognises the region’s acute vulnerability to climate change, and has been implemented through an ASEAN Action Plan on a Joint Response to Climate Change (AAP-JRCC). Adopted by environment ministers in 2012, the AAP-JRCC is a living document that is folded into the Roadmap for an ASEAN Community 2009–15 and the ASEAN Climate Change Initiative (ACCI). Established in 2010, the ACCI is

¹ The EU’s 10 strategic partners include Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, South Korea, and the United States.

a regional platform that aims to enhance inter-institutional coordination on climate action. The ASEAN Working Group on Climate Change (AWGCC) was subsequently established to implement both the ACCI and the Action Plan.

ASEAN has also established a multi-sectoral framework on climate change and food security (AFCC) that focuses on the use of natural resources, extreme events, energy, transport, and sustainable cities. It represents a comprehensive approach to tackle the impact of climate change in three sectors: agriculture, fisheries, and forestry. The blueprint of the envisaged ASEAN Community by 2015 sets targets under the forestry sector to support global and regional initiatives to reduce emissions from deforestation and forest degradation. Under its Vision 25/25 (the government’s energy strategy), Indonesia, one of ASEAN’s largest economies, targets a 25 per cent renewable share in its energy mix by 2025. Indonesia is estimated to hold 40 per cent of the world’s total geothermal energy (sustainable energy generated and stored in the Earth) potential, but so far has harnessed only a tiny fraction of it. Yet, despite the similarities in aims and ambitions, the EU and ASEAN have so far failed to join forces at the global climate change conferences. There is, however, budding recognition of the scope for the two blocs to align positions to address climate change. The first meeting of the ASEAN-EU Dialogue on Climate Change took place in 2013.

CBRN issues are another area where interests coincide and concrete bilateral cooperation can be developed, in particular at the multilateral level. EU and ASEAN member states are signatories of both the Nuclear Non-Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT), and are strong proponents of non-proliferation. In addition, ASEAN countries signed in 1995 the Bangkok Treaty, making South-East Asia a nuclear weapons free zone. As large regional blocs, the EU and ASEAN together can make a serious contribution to global efforts to combat CBRN risks and threats. In 2010, the Union launched the EU CBRN Centres of Excellence initiative in cooperation with the United Nations Inter-regional Crime and Justice Research Institute (UNICRI). The initiative involves more than 60 countries and aims to facilitate cooperation and coordination of national and regional efforts and to develop national response plans according to international standards. The EU-sponsored South-East Asian CBRN Centre, established in Manila in 2013, could prove effective in developing and coordinating national response plans within ASEAN and enabling regional coordination.

On the international level, EU-ASEAN ties could reverberate deep. Their shared interests on global security and peace, in particular on counter-terrorism, rule of law, management of

shared commons, economic stability, and climate change action provide the fabric for stronger mutual engagement in reforming and supporting global governance.

Prospects for the ASEAN-EU partnership

ASEAN and the EU represent major opportunities for each other. According to IHS Global Insight, by the year 2030, ASEAN may have a \$10 trillion economy. Taken as a bloc, it would eclipse Japan's economy and become one of the world's top five economies. According to these projections, less than 1 per cent would live in extreme poverty, per capita income would be as high as \$12,000 and 65 per cent of ASEAN's population would belong to the middle class (up from the current 24 per cent, or an increment of about 300 million). Home to a population of 700 million people by 2030 with

favourable demographics, ASEAN will be at the core of the fastest growing region on the planet. Aside from Singapore, the current tier of more prosperous ASEAN member states including Indonesia, Vietnam, Philippines, Malaysia, and Thailand represent a new generation of high-growth emerging economies.

Indonesia's rise stands out. According to the National Intelligence Council's 2012 Global Trends Report, by 2030 Indonesia may become the seventh-largest economy in the world, overtaking the UK and Germany and ranking fourth in terms of consumption power, after India, China, and the US. Its rise would be supported by its robust potential for growth, with a favourable age structure (70 per cent of its by then 289 million strong population would be between 15–69 years of age, and 14 per cent between 15–24); a consumer class of 135 million (up from 45 million today); and a rapid urbanisation rate (71 per cent of the population living in cities and producing 86 per cent of GDP).

The less-developed ASEAN members, including Lao PDR, Cambodia, and Myanmar hold the most promise in terms of expected growth rates and largest (in relation to their population) increment of the middle class. Myanmar in particular holds much potential for rapid growth and development given its rich natural resources, abundant labour

force, and strategic location between China and India. The International Monetary Fund (IMF) has forecast Myanmar's economic growth at 7.5 per cent in 2014, while the Asian Development Bank (ADB) predicts a 7-8 per cent GDP growth annually for the next two decades if the country's political and economic reforms continue. According to McKinsey Group, by 2030, Myanmar would be a \$200 billion economy (a 4-fold rise) with 19 million middle-class consumers (2.5 million today) and a threefold rise in consumer spending from \$35 billion to \$100 billion.

However, the requirements for the urbanisation and infrastructure development of ASEAN countries are significant. While estimates for the bloc as a whole have not been drawn, according to McKinsey just Myanmar would need around \$650 billion in investments to achieve its growth potential by 2030. Released in 2011, Indonesia's infrastructure master plan for economic development through 2025 (called MP3EI) envisages eight infrastructure projects (including 150km of railways, 4,000km of roads, 8km of bridges and 14 new airports) and an investment requirement of nearly \$500 billion, a third of which would come from the government, and the rest from the private sector. The inadequacy of infrastructure in ASEAN member countries impedes the integration of the South-East Asian market and reduces the overall competitiveness of the bloc against

major regional partners India and China. Given the peculiar geographical location of ASEAN, scattered over water bodies and international maritime bottlenecks, connectivity within the bloc will be critical in order to ensure growth as a regional organisation and an economic entity.

Prospects for ASEAN growth up to 2030 represent major opportunities for the EU to generate prosperity, growth, and jobs back home. The EU is best placed to create a continental level platform for European companies investing in South-East Asia, for example in the infrastructure construction sector. McKinsey notes that Indonesia's path to modernisation and urbanisation alone 'could create a \$1.8 trillion private-sector business opportunity by 2030'. Urbanisation partnerships with ASEAN countries can become a building-bloc of forward-looking relations in a domain where the EU has much expertise, in particular as concerns connectivity. The recent normalisation of relations between the EU and Myanmar offers a fillip. In addition, the EU can play a role in helping ASEAN to address financial sector development, coordinate macro-economic policies, and enhance rule-making capacity and transparency at a supranational level.

The EU-ASEAN relationship must now move to the next level and both sides need to make efforts to underpin a changing partnership. Global and regional changes have given ASEAN

new confidence and many more courtiers too. Japan has recently extended almost \$20 billion in aid to ASEAN countries aimed at development and disaster preparedness, to be delivered in the next five years. While 2012 has been dubbed the 'Asian Semester' in terms of the frequency of top EU officials' visits to the region, the EU needs to sustain the momentum. Unlike established global powers, the EU's ever changing, complex, *sui generis* structure means that it has constantly to engage external partners in order to improve their understanding of its functioning and objectives, including *vis-à-vis* ASEAN. While seeking an equal partnership with the EU beyond the traditional donor-recipient angle, ASEAN should make proactive efforts to develop a mutually beneficial relationship. In this regard, facilitating the EU's engagement in its own region and regional formats would be an effective option. By supporting the EU's EAS bid, ASEAN stands to gain a like-minded partner and a deeper partnership.

Conclusion

The EU-ASEAN relationship contains many ingredients of a strategic partnership: growing political will and institutional capacity and a wealth of ideas and initiatives to develop. Both partners can do a lot to achieve respective strategic needs. EU-ASEAN relations have grown in parallel to both regional blocs' integration and future relations hold further potential.

By acknowledging each other as strategic partners, the EU and ASEAN would send a strong signal to one another and the rest of the world regarding the importance they attach both to bilateral relations and to the notion of regional integration. Such an upgrade in relations would also facilitate Europe's engagement in the broader Asian theatre. While the EU has acceded to the Treaty of Amity and Cooperation (TAC) in South-East Asia, its membership of the EAS remains pending until it can demonstrate a stronger commitment to the region and Asian countries are persuaded of the added-value that the Union could bring.

The EU and ASEAN have a multi-layered relationship, but there is no bilateral summit mechanism at the highest level of leadership to discuss the top issues on the agenda. Currently,

the highest-level meeting between the two sides is the ASEAN-EU Ministerial Meeting. Summits can often provide a very important political impetus to bilateral relations and, if carried out well, can present an opportunity to craft strategic priorities. The changing geopolitics in the Asia Pacific requires even closer coordination amongst partners. Summits could also bring much-needed coverage to the relationship and could help raise the visibility of the EU and ASEAN in each other's regions.

There is no individual EU Ambassador or Special Representative assigned to ASEAN, nor is there an ASEAN Ambassador to the EU. The EU Ambassador to Indonesia also serves as an Ambassador to ASEAN (and Brunei Darussalam). In addition, 24 EU member states have accredited their ambassadors to ASEAN. The 10 Ambassadors of ASEAN member countries to the EU engage on ASEAN-related matters with the EU while representing their nations. The US has assigned a separate Ambassador to ASEAN since 2011 in recognition of the growing importance of the organisation, as well as the need to increase engagement with the bloc. The creation of equivalent posts between the EU and

ASEAN could enhance diplomatic relations by facilitating communication, increase the focus on the relationship, and send a signal regarding the strategic significance of the bilateral relationship for both sides.

The 2012 Bandar Seri Bagawan Action Plan has set an important roadmap to strengthen cooperation and dialogue between the EU and ASEAN for the next five years, but relations need to be underpinned by a stronger political endorsement that upgrades the 2007 EU-ASEAN Enhanced Partnership to a strategic partnership. ■



DWI BUDHI CARWONO / FLICKR

Brunei

EU-Brunei Darussalam relations were established through the 1980 EC-ASEAN Cooperation Agreement, after Brunei joined the regional grouping in 1984 following its independence from the UK. A micro nation of around half a million people on the island of Borneo, Brunei is the fifth-richest country in the world in terms of GDP per capita. A Muslim Sultanate, Brunei's economy grew by 56 per cent between 1999–2008 (thanks to crude oil and natural gas production, accounting for 90 per cent of its GDP and nearly 95 per cent of exports), transforming the country into a developed, industrialised nation. Brunei ranks second on the Human Development Index (HDI) in South-East Asia after Singapore.

The last four years have seen an intensification of the relatively limited bilateral relations between the EU and Brunei. For a period of three years starting in July 2009 Brunei was the country-coordinator for ASEAN-EU relations and in 2013 it held the ASEAN chairmanship. EU High Representative Catherine Ashton travelled twice to Brunei in the past two years. In April 2012, she attended the EU-ASEAN Ministerial Meeting, where she also met Sultan Hassanal Bolkiah and senior ministers. The Bandar

Brunei



Seri Bagawan Action Plan to Strengthen the ASEAN-EU Enhanced Partnership (2013–17) was also signed at the meeting. During the same visit, the EU and Brunei decided to launch negotiations on a Partnership and Cooperation Agreement (PCA) that is not only expected to pave the way towards a Free Trade Agreement (FTA) with the EU, but which will also allow both sides to strengthen cooperation in areas like climate change, sustainable development, culture, and education. The fourth round of negotiations was completed in November 2013 and the next round is scheduled for the first half of 2014. Given that Brunei is no longer eligible for trade benefits under the EU's Generalised Scheme of Preferences (GSP) as of January 2014, an FTA would also help the EU tap into the full economic potential of the EU-Brunei relationship.

Trade between the EU and Brunei is very small, with just €1.244 billion in 2012. It has, however, risen considerably since 2008 and more than doubled in one year, from €99 billion in 2011. Bilateral trade consists of mainly merchandise, motor vehicles, and chemicals. The UK is an important trade partner for Brunei, accounting for the majority of EU trade, followed by Germany, the Netherlands,

France, and Belgium. Overall, the EU is Brunei's fifth-largest trading partner after Japan, South Korea, Singapore, and China. Japan, South Korea and other ASEAN countries are the key consumers of Brunei's principal exports of natural gas, crude petroleum, and refined products. The EU is also the largest investor in Brunei, with almost 70 per cent of foreign direct investment (FDI) into the country, most of which comes from the UK and France. The UK in particular is the second-largest investor in Brunei, after China.

EU member states' economic diplomacy has been strong in Asia, including in Brunei. Other priorities of the relationship include cooperation on natural disasters, the prolonged trans-boundary haze problem (due to smoke from fires burning across the border in Indonesia and affecting Brunei,

Malaysia, Singapore, Indonesia, and Southern Thailand), and education reform. Human rights issues, including caning, lack of free media, freedom of peaceful assembly and association, political rights, religious freedom, and LGBT (lesbian, gay, bisexual, and transgender) rights, will be contentious during PCA negotiations, which include a human rights clause.

The EU has no permanent representation in Brunei and the EU Ambassador to Jakarta and ASEAN oversees relations with the country. Brunei officials note that the EU became a more visible partner only after the 2011 announcement of the US pivot to Asia, when bilateral and inter-regional relations appeared to have shifted gear. The US has been increasing its political investment in Brunei. Former Secretary of State Clinton visited the country twice and the Obama administration is seeking to enhance cooperation, especially in the education sector. Brunei has also received a number of high-level visits from China – its largest investor, key trading partner, as well as disputant concerning the South China Sea. The number of Chinese companies and the size of the Chinese diaspora in Brunei are very large. China is both a rival in the South China Sea dispute and an economic

opportunity, whereas the US provides security cooperation. Still, Brunei is interested in developing political relations with the EU, especially in order to diversify its foreign partners. Greater political engagement between the EU and Brunei would fare well for the region, which welcomes the EU's presence, and would enhance the Union's role and visibility. ●



MIGUEL VICENTE MARTÍNEZ JUAN / FLICKR

Cambodia

EU-Cambodia relations are strongly rooted in poverty reduction and rural development, with a political dimension that emphasises democracy, human rights, fundamental freedoms, rule of law, and good governance. The Paris Peace Accords of 23 October 1991 opened the door to cooperation between the European Community and Cambodia, and since then the EU has been an integral partner in the country's development process. The 1997 Cooperation Agreement set the framework for bilateral relations and in 2000, Cambodia joined the 1980 EC-ASEAN Cooperation Agreement. A joint committee meets every two years at senior officials' level and discusses the entire spectrum of the EU-Cambodia relationship, including human rights issues.

After a long history of repression, especially under the Khmer Rouge regime, Cambodia has surfaced into a dynamic and vibrant emerging Asia. Between 1991 and 2001, the EU extended around €300 million in assistance to Cambodia, in addition to approximately €600 million from various EU member states through cooperation programmes. The EU and its member states also played an important role in the rehabilitation and reintegration of around 375,000 former refugees. After the country's first elections, which were held

Cambodia



in 1993, the EU's Rehabilitation Programme for Cambodia (PERC) was launched with a total budget of €88 million. The EU also provided €135 million from 2002–6 for rural development, social programmes (especially women, urban youth, child care, and development), trade sector development (especially supporting small and medium-sized enterprises in the agro-industry), public finance management reform, and the promotion of human rights, democratisation, and good governance. In 2007–13, the EU provided €76 million for Cambodia's National Strategic Development Plan for poverty reduction and basic education, which aims to fulfil the Millennium Development Goals (MDGs).

As a Least Developed Country (LDC), Cambodia benefits from the Everything But Arms (EBA) framework, the EU's most extensive trade preference system. Although relatively small, in 2012 EU-Cambodia trade stood at €1.89 billion, having almost quadrupled from €588 million in 2008. The EU is Cambodia's fifth-largest trading partner after Thailand, Vietnam, China, and the US, with a 10.9 per cent share of Cambodia's total external merchandise trade. Trade and trade sector restructuring are crucial for integrating Cambodia into the global economy and pushing through governance reforms

at the national and local levels. The EU is the world's largest donor of Trade-Related Assistance (TRA) through the multi-donor Enhanced Integrated Framework (EIF) for TRA to LDCs. The EU, both bilaterally and through member state cooperation, has also assisted Cambodia better to integrate into the world trading system, contributing in particular to capacity-building measures to meet the obligations under the World Trade Organisation (WTO).

Cambodia grew at an average of 7.7 per cent per year from 1994–2012 (one of the world's top 10 fastest-growing countries) despite a record low of 0.1 per cent in 2009, and the government was confident that the economy would grow at 7.6 per cent in 2013. The Cambodian private sector (especially the textile and tourism industries) has been the key driver of economic growth and poverty reduction. Tourism, Cambodia's fastest-growing industry and one of the main pillars of the country's economy, grew dramatically from 219,000 tourists in 1997 to 3.58 million foreign tourists in 2012, generating \$2.2 billion in revenues.

Politically, the EU-Cambodia dialogue has focused much on governance reform and human rights. Despite the limited

political space allowed, democracy in Cambodia has been slowly developing. Over the years, the EU has positively contributed to this incremental progress. The EU has sent various election observer missions to the country and has assisted Cambodian officials and the electoral commission on capacity-building and democracy consolidation at the local level. An EU aid package of €10.75 million for the 1998 national elections provided for a new electoral register, a National Election Committee's media centre, a media-monitoring unit, and a European observation unit. The EU Election Observation Mission to the February 2002 Commune Council Elections, which paved the way for Cambodia's efforts at decentralisation, was the first mission sent by the Union to observe local level elections in the country. The EU also contributed to various polling and training material in addition to technical assistance and expertise.

Despite the government's authoritarian style of governance and the long tenure of Prime Minister Hun Sen since 1998, Cambodia has registered some notable progress in terms of building democratic institutions and practises, the emergence of a strong civil society and a strong opposition party, the Cambodia National Rescue Party (CNRP) (one of the country's eight political parties). However, many challenges persist

including corruption, lack of transparency, land-grabbing, political oppression, and freedom of expression. This makes the case for greater EU engagement on democracy and good governance, especially in light of the countervailing influence of other actors.

Regional actors like China, Japan, and Thailand are playing increasingly important roles in Cambodia. Japan is the country's largest donor of official development assistance (ODA). Thailand is Cambodia's largest trading partner and a growing investor. Cambodia also has a territorial dispute with Thailand over Gulf of Thailand waters, under which large oil and gas reserves have been recently discovered. While Thai-Cambodian relations could generate potential instability, especially within ASEAN, trade has grown by almost 60 per cent in the past two years alone. China is the largest foreign investor in Cambodia, besides being a major aid donor and a key trading partner. The Council for Development of Cambodia notes that from 1994 to 2012, total Chinese investment in Cambodia reached \$9.17 billion. China's aid has played a positive role in the country through the creation of rural employment, hydropower development projects, and infrastructure projects (roads, buildings, bridges, etc) that have helped develop the economy. Yet, China's 'no strings attached'

Cambodia



aid has exacerbated the country's social, environmental, and political problems, in particular by increasing corruption levels and deteriorating labour conditions, governance and human rights, natural resources, and biodiversity. China has also used its aid for political reasons, by strong-arming Cambodia in taking issue with other ASEAN members on the South China Sea issue. In 2012, as ASEAN Chair Cambodia refused any mention of the South China Sea in the group's foreign ministers' meeting in July in Phnom Penh, resulting in the failure for the first time in ASEAN's 45-year history to issue a joint communiqué.

There is a need for greater EU engagement with Cambodia both economically and politically. In economic terms, aid and investment remain crucial. Augmenting trade is important. Helping the country on infrastructure projects could further enhance the economy and generate employment, especially in rural areas. Energy is another area for cooperation and while Cambodia is involved with its neighbours on regional water management initiatives, there is space to broaden cooperation with the EU in this field too, especially on alternative energy sources. Politically, the two partners should look for common grounds to address governance challenges. Failure to resolve governance issues is a key obstacle to poverty reduction,

growth, and aid effectiveness. The EU should seek to play a greater role in promoting democracy and fundamental freedoms in the country, especially vis-à-vis China's growing influence in Asia and the allure of the success of an authoritarian style of governance. Cambodia also presents important avenues for EU-US cooperation in areas such as governance reform, development, security, education, and capacity-building. Greater dialogue with China on aid delivery in the country should also be explored. ●



ABRAHAM ARTHEMIUS / FLICKR

Indonesia

EU-Indonesia relations date back to 1967 and were formalised under the 1980 EC-ASEAN Cooperation Agreement. While cooperation takes place mainly under the EU-ASEAN Dialogue umbrella, the bilateral relationship framework does support a number of political and economic dialogues. An annual ministerial meeting takes place alongside a series of senior officials' meetings throughout the year. The EU-Indonesia Partnership and Cooperation Agreement (PCA) signed in 2009 will establish a more structured framework for bilateral dialogue once the ratification process is complete. The priorities of the relationship include trade and investment, tourism, agriculture, environment, as well as research and technical issues.

Indonesia is the EU's fourth-largest trading partner within ASEAN and 29th overall with a 0.7 per cent share of the EU's total trade. The EU is Indonesia's fourth-largest trade partner globally after Japan, China, and Singapore, holding an 8.1 per cent share of Indonesia's external trade. In 2012 bilateral merchandise trade stood at €25 billion, while trade in commercial services amounted to €3.7 billion in 2011, accounting for 14 per cent of total trade. EU exports have doubled in the last six years, reaching over €9.6 billion in 2012, with trade deficit stabilising at around €5.7 billion. The EU's key imports from Indonesia include agricultural products (mainly palm oil), fuels and mining products, textiles and furniture; meanwhile, EU

Indonesia



exports to Indonesia consist largely of machinery and transport equipment, chemicals and other manufactured goods.

The EU is the second-largest investor in the country. Around 700 European companies have more than €50 billion worth of investments there, contributing to the creation of around half a million local jobs. Germany and the Netherlands are the top EU investors in Indonesia. EU bilateral aid to the country for the period 2007–13 amounted to €412 million. There will be no future bilateral aid programmes under the Multi-annual Financial Framework 2014–20 given that Indonesia, a G20 member with a large economy, is considered to have graduated under the Agenda for Change principles.¹ However, implementation of ongoing programmes will continue until 2017. The EU has also been active in the field of disaster response (Aceh Multi-Donor Fund and Java Reconstruction Fund). In the area of health, together with Germany and France the EU contributes substantially to the Global Fund to fight Aids, Tuberculosis and Malaria – a challenge of particular relevance for Indonesia.

But economic ties remain far below potential. While Indonesia accounts for 40 per cent of ASEAN GDP, EU trade with Indonesia

is only around 14 per cent of total EU trade with ASEAN. Singapore, and not Indonesia, emerges as the EU's main foreign direct investment (FDI) partner among ASEAN member countries. The PCA signed five years ago has still not been ratified. An EU-Indonesia Free Trade Agreement (FTA) could unlock much potential, but is still in the early stages of scoping. With Indonesia having graduated out of the EU's Generalised Scheme of Trade Preferences (GSP) in January 2014, the FTA can significantly boost trade. For a country with an increasing regional and global profile like Indonesia, the lack of a regular bilateral summit meeting affects the EU's visibility in Jakarta.

Indonesia is a religiously- and ethnically-diverse, democratic country, which embodies the EU's catchphrase of 'unity in diversity'. It is a promoter of closer regional integration within ASEAN and since 2002, it has been an advocate of democracy within the bloc and the wider Asia Pacific. Indonesia is also a successful model of governance that has reconciled Islam, democracy, and development. Bilaterally, the EU and Indonesia have shared interests in particular in countering terrorism, combating radicalisation, and fighting other non-traditional security threats, including trafficking (drugs, humans), piracy, natural disasters, serious communicable diseases like Avian influenza, illegal immigration, financial and economic security, and information security. Globally, the EU

¹ The Agenda for Change is the blueprint for EU development policy and aid programming launched in October 2011.

and Indonesia have a shared belief in constructive multilateralism, global governance, and regional institutions. Indonesia looks to the EU as a partner in shaping a rules-based world order.

Indonesia is strategic to the EU's interests for a number of reasons. As a global middle power and regional pivot, it belongs to the second generation of emerging countries after the BRICS – Brazil, Russia, India, China, and South Africa – grouping. With the fourth-largest population worldwide, Indonesia is also the world's most populous Muslim nation and the third-largest democracy after India and the US. Nearly 250 million people live on its 17,500 islands. It is the 16th largest economy in the world, and one of the fastest-growing consumer markets, with a rapidly burgeoning middle class. By 2020, 8-9 million people are expected to transition to the middle class each year. The McKinsey Global Institute projects the island-nation to become the seventh-largest world economy by 2030, ahead of both Germany and the UK.

Indonesia plays an important role in its sub-region. It is a driving force within ASEAN and has historically pushed for deeper integration of the bloc. When the group failed to issue a joint communiqué at the foreign ministers meeting in 2012, in the face of pressure from China on the Cambodian host, powerful diplomacy by Indonesia helped deliver an accord. Indonesia's role in integrating

Myanmar in particular has been crucial, by supervising and constantly encouraging Naypitaw to reform its authoritarian system. Indonesia is a model for democratic governance in the sub-region. The Bali Democracy Forum is the only ministerial-level meeting in Asia focused on democracy promotion. It is also an integral part of the region's many other politico-security frameworks, most of which are ASEAN-centred. As ASEAN's largest economy, Indonesia will be a major player in the ASEAN Economic Community by 2015. Its economy is deeply entangled within the noodle-bowl of Asian FTAs (with 21 FTAs in total, either proposed, signed or under negotiation). Given that the Trans-Pacific Partnership (TPP) does not include all ASEAN members, Jakarta is boosting the group's efforts to create a Free Trade Area of the Asia Pacific through the Regional Comprehensive Economic Partnership (RCEP) initiative.

Indonesia has a growing global profile on environmental issues too. The country is highly vulnerable to the effects of climate change and it is significantly rich in natural resources: its biodiversity is second only to Brazil's. Indonesia not only has the world's second-largest tropical forest, but it is also the greatest repository of marine biological resources. Indonesia is the second-largest exporter of thermal coal, and has significant crude oil, natural gas, and geothermal resources. However, it is the third-largest emitter

Indonesia



of greenhouse gases (GHG) in the world after the US and China, and has a highly accelerated deforestation rate.

Indonesia can be singularly influential in global action against climate change. Jakarta has been a constructive actor in South-East Asia, within the G20 and other fora in promoting better climate action. The country has unilaterally undertaken an ambitious target of 25 per cent emissions' reduction by 2025, and has envisaged raising it to 41 per cent depending on international assistance. There is large scope for the EU to engage constructively with Indonesia on energy and climate change issues.

In geopolitical terms, Indonesia finds itself playing a difficult balancing act between global heavy-weights such as the US, China, Japan, and India. Indonesia employs a strategy of dynamic equilibrium in order to avoid a regional conflict or a power-sharing arrangement among major powers. In this sense, the notion of ASEAN centrality has become a cornerstone in Indonesia's foreign policy, and Jakarta endeavours to promote ASEAN initiatives within the region. Indonesia's role extends well beyond regional borders, however, mainly through its membership of the G20 and of the Organisation of Islamic Countries (OIC). The country is also an active contributor to UN peacekeeping operations, with over 1,500 personnel deployed in 2012.

Indonesia's strategic location in particular makes the country an important partner on maritime security. Indonesia separates the Indian and the Pacific Oceans and is home to crucial international chokepoints: the Straits of Malacca, Sunda and Lombok-Makassar. More than half of global trade passes through Indonesian waters, making the country a key player in maritime transport. While Indonesia has no territorial claims in the South China Sea dispute, it has engaged in promoting a peaceful settlement, in particular through ASEAN efforts to establish a code of conduct.

There is scope to raise the level of EU political engagement with Indonesia and develop a dynamic foreign and security policy dialogue. An annual summit between the two partners could help upgrade the partnership. There is an urgent need to commence FTA negotiations to tap into the opportunities that Indonesia presents and to deepen relatively shallow bilateral investment ties. Among other sectors, an urbanisation partnership could help the EU seize significant opportunities while helping Indonesia attain its urban development goals. ●

Lao PDR

Development cooperation has provided the foundation of the EU-Lao People's Democratic Republic (PDR) relationship, which in recent years has focused on economic liberalisation and Lao PDR's integration into the wider world economy. Beginning in the 1970s, the relationship was reaffirmed through a Cooperation Agreement signed in 1997 when Lao PDR joined ASEAN. In 2000, the country acceded to the 1980 EC-ASEAN Cooperation Agreement, thus allowing it to participate in region-to-region cooperation programmes. The 1997 agreement has provided the dialogue and cooperation structure of the relationship. While development cooperation has been the mainstay of the partnership, political engagement and economic exchanges – also thanks to the EU's Everything But Arms (EBA) scheme – have been crucial components.

The EU has worked closely with Lao PDR's government on the national reform agenda, economic liberalisation, poverty reduction and in raising the standard of living of the population, as well as on better integrating the country into the international arena. Today, Lao PDR is part of the World Trade Organisation (WTO), ASEAN, the East Asia Summit (EAS), *La Francophonie*, and the Asia Pacific Trade Agreement, amongst many other frameworks. Lao PDR is also actively engaged in the Greater Mekong Sub-Region initiative.



LARRY W. LO / FLICKR

Lao PDR



As a landlocked developing country, Lao PDR depends first and foremost on its neighbours: Myanmar, China, Vietnam, Cambodia, and Thailand. Nonetheless, the EU has been an important international partner, especially in terms of poverty reduction. A third of Lao PDR's 6.5 million people still live under the international poverty line. Lao PDR aims to leave the group of Least Developed Countries (LDC) by 2020. From 1993 to 2013, the EU provided approximately €170 million in development aid. During the same period, Lao PDR also benefited from other Asia-wide projects financed by the EU. European development assistance to the country has mainly focused on, and has made an important contribution to, agriculture and rural development, trade and economic development, public financial management, education and health, reduction of the Unexploded Ordnance (UXO) threats, good governance and human rights, and climate change.

In recent years, the EU has shifted its approach to development cooperation towards sustained, longer-term budget support, which underpins closer engagement and policy dialogue with the government, structural reforms and aid effectiveness. Fifty-eight per cent of total EU support under the EU's Strategy Paper for 2007–13 (€69 million) was allocated to the government's reform

agenda under the national development strategy – the National Socio-Economic Development Plan (NSED) –, helping to achieve the Millennium Development Goals (MDGs). Since 1998, humanitarian aid has also been extended through ECHO and its disaster preparedness programme (DIPECHO), with €14.5 million in response to natural disasters and €4.5 million for disaster preparedness. ECHO also assisted populations affected by floods in 2011 with €2 million, and contributed €300,000 in response to the malaria outbreak in 2012.

Funding from the EU and its member states makes up a quarter of total official development assistance (ODA) (loans and grants) to Lao PDR, with France, Germany, Sweden, Belgium, and Luxembourg amongst the top EU donors. Japan is the largest bilateral donor to Lao PDR, providing around \$100 million each year in assistance and grants mainly to finance infrastructure projects in the energy and transport sectors. Japanese ODA represents nearly half of total bilateral assistance given to the country. China is a fast growing economic partner and investor, accounting for around 15 per cent of total ODA to Lao PDR, mainly through involvement in major infrastructure projects including roads and dams. Australia, the Asian Development Bank (ADB), and the US are other important donors.

Trade between the EU and Lao PDR is small but not insignificant in relation to the size of the country's economy. Lao PDR benefits from the EU's Everything But Arms (EBA) scheme, which provides duty and quota free access for all Laotian products except arms and ammunitions. Bilateral trade in goods reached €477 million in 2012, having more than doubled since 2000. The EU was Lao PDR's fourth-largest trading partner in 2012 after Thailand, China and Vietnam, with a share of 5.9 per cent of total external trade. Lao PDR's main trading partners in the EU are Germany, the UK, France, Belgium, and the Netherlands. The EU imports mainly textiles and clothing and agricultural products from Lao PDR, while its exports consist largely of machinery goods. In recognition of the country's potential, its strategic location in the heart of Indo-China, abundance of cheap labour, and its need for economic growth, an EU Chamber of Commerce and Industry (ECCIL) was established in May 2011 to promote European business in Lao PDR. In addition to trade preferences, the EU also provides critical trade-related assistance. The Union contributes amongst others to a Multi-Donor Trust Fund – the Trade Development Facility (TDF) – which supports the government in ongoing reforms, coordinating trade-related assistance, and facilitating cross-border trade.

Political dialogue between the EU and Lao PDR takes place through a joint committee, which meets every two years at senior officials' level. There are two subsidiary working groups, addressing trade and human rights, respectively. Democracy promotion is a key priority for the EU in its relations with Lao PDR and the Union works with a number of international and local NGOs on a variety of EU-supported human rights initiatives. Lao PDR is a single-party communist state officially espousing Marxism, with the Lao People's Revolutionary Party (LPRP) as the only legal political party. While the country's constitution safeguards basic human rights, serious violations by the government and a weak rule of law are important hurdles towards better political relations between the EU and Lao PDR. The President of the European Council, Van Rompuy, and European Commission President Barroso travelled to Vientiane in 2012 for the Ninth ASEM Summit. During the visit, Van Rompuy met Laotian Prime Minister Thongsing Thammavong and reiterated the importance the EU attaches to human rights and democracy in its relationship with Lao PDR. Culture is another important facet of bilateral relations.

While the relationship with Vietnam is a cornerstone of Lao PDR's foreign policy, greater political influence from China and

Lao PDR



reinforced Chinese economic cooperation risk hampering the country's opening up to the international community and creating fractures within ASEAN. China reinforces the attractiveness of an economically successful authoritarian regime. The EU as a successful democratic entity and an economic powerhouse can help nurture democracy and strengthen the rule of law. Since 2009, civil society has been gradually emerging in the country, after a government decree approved the regulation and operation of non-profit associations. The government has also recently ratified the International Convention against Torture. These are welcome steps that the EU must encourage, while not appearing as hectoring on norms and human rights.

At the same time, there is a need for Lao PDR to diversify its economic partners and progress on its path towards integration into the wider global economy. Supporting infrastructure development and helping Lao PDR to connect better to its ASEAN neighbours should be a priority. The EU must continue supporting ongoing economic reforms to help liberalise further the Laotian economy, strengthen public expenditure management, improve the banking system and the provision of rural financial services, continue the reform of small and medium size enterprises (SMEs), and engage in further cooperation on

environmental issues. Helping reinforce Lao PDR's commitment to international engagement and regional integration could also pave the way to further political reform in the country. ●



EMILISTEVANOV / FLICKR

Malaysia

Malaysia is today one of the most vibrant Asian economies and an important partner for the EU in ASEAN. Decades of industrial growth and socio-political stability have transformed Malaysia into an upper-middle income, newly industrialised country with a GDP per capita of around \$10,304 (2012), the third highest in ASEAN after Singapore and Brunei. Today, Malaysia is also the third-largest economy in ASEAN after Indonesia and Thailand and the 29th worldwide, at purchasing power parity. Malaysia's population of nearly 29 million is relatively young, with an average age of 27.4 years (2013), an average life expectancy of 74 years and a 92.5 per cent literacy rate. Only 1.7 per cent lives below the poverty line (2012) and unemployment stands at 3.2 per cent.

Legally established under the 1980 EC-ASEAN Cooperation Agreement, EU-Malaysia relations have developed significantly over the years from a development-oriented to a broad, multi-faceted economic and political relationship. In October 2010, the EU and Malaysia launched negotiations for a bilateral Free Trade Agreement (FTA) and a Partnership and Cooperation Agreement (PCA). While the former aims at boosting bilateral trade and investment, the latter intends to enhance political relations and add a structured framework to overall political and economic cooperation.

Malaysia



Malaysia is the EU's second-largest trading partner within ASEAN after Singapore, and the 24th globally with a 1 per cent share of the EU's total external trade. Conversely, the EU is Malaysia's fourth-largest trading partner after China, Singapore, and Japan, with a share of 9.5 per cent of Malaysia's total external trade. Bilateral trade in goods amounted to almost €35 billion in 2012, with industrial products constituting 90 per cent of two-way trade and Malaysia recording a trade surplus of nearly €6 billion in the same year. Trade in services stands at around €5.6 billion (2011) but is gradually increasing with the establishment of national policies favouring liberalisation. The EU is the largest source of foreign direct investment (FDI) in Malaysia (2012), with €3.8 billion of investments mainly in the manufacturing sector, significantly ahead of other investors like Japan (€702 million) or Saudi Arabia (€652 million). EU FDI stock in Malaysia touched €24 billion in 2011, rising nearly 2.5 times from €9.4 billion in just five years. Currently, there are more than 2,000 European companies operating in Malaysia.

The envisaged FTA is important. An upper-middle income country according to the World Bank, as of January 2014 Malaysia is no longer eligible for the EU's Generalised Scheme

of Preferences (GSP). The scheme provided duty reductions of up to 66 per cent for Malay exports to the EU. The FTA can mitigate the significant impact of Malaysia's GSP discontinuation and ensure that the EU and Malaysia once again benefit from duty-free access to each other's markets. Both sides hope to conclude the FTA by the end of 2014.

Malaysia is one of the most open economies in the world. As a member of the World Trade Organisation (WTO), it is an active proponent of free trade and the multilateral trading system. It is also a member of the Cairns Group, which advocates for greater liberalisation in global agriculture trade, and is the world's largest Islamic banking and finance centre. Once a leading producer and exporter of primary products like rubber and tin, Malaysia has successfully managed to diversify its economy. With an average growth of 6.5 per cent from 1957-2005, the country is today one of the world's largest producers of electronics. It is the world's second-largest exporter of palm oil and a regional leader in rubber, tin, oil, and gas exports. Malaysia's industrialised market economy is guided by sound macro-economic policies like the Vision 2020, which aims to attain developed-economy status for the country by 2020. The initiative targets an eight-fold increase

of real GDP between 1990 and 2020 and a four-fold increase in per capita income. This requires the government to maintain a 7 per cent average annual growth.

However, the FTA also matters for the EU. Malaysia has already concluded and implemented bilateral FTAs with major regional partners like Australia, India, Japan, and New Zealand, as well as Chile and Pakistan. In addition, it benefits from ASEAN's FTAs with Australia, China, India, Japan, South Korea, and New Zealand. Malaysia is also a negotiating partner of both the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP), major plurilateral FTA initiatives in the Asia Pacific. A speedy conclusion of the EU-Malaysia FTA would open the door for more EU companies to enter one of the most vibrant and well-connected markets in Asia. However, officials note that the negotiations have so far lacked momentum. Key contentious issues include intellectual property rights (especially generic medicines), competition (Malaysian competition laws focus on anti-trust while EU competition laws also cover state-aid and mergers and acquisitions), automobiles, public procurement, and the palm oil sector. The latter is particularly sensitive since Malaysia is the world's second-largest exporter of palm oil and the EU the second-largest importer. However, Malaysian palm oil

bio-fuel has been deemed not to meet the EU's sustainability criteria. Malaysian NGOs and civil society too have opposed an increase in palm-oil exports in the interest of the environment and indigenous land rights, while the government looks to raise production to increase export revenues. Malaysia is also uneasy with EU demands to change national laws especially as regards intellectual property and geographical indications under which the EU has 3,000 protected products.

At the political level, the EU and Malaysia meet within the framework of an annual senior officials' meeting, as well as a 42-member Inter-Parliamentary Malaysia-EU Caucus. Education and research, security, infrastructure, environment, climate change, and communication technology are among the priorities of the partnership. EU-Malaysia 'green' cooperation is significantly wide-scoped and takes place under the framework of a Green Technology and Climate Change Policy Dialogue. The EU also supports a number of projects on sustainable development and forestry and has provided development aid to Malaysia for around €17 million (2007–13) under its Development Cooperation Instrument (DCI). EU aid under the European Instrument for Democracy and Human Rights (EIDHR) amounting to nearly €300,000 (2011–13) is directed towards civil society and support for human rights.

Malaysia



Malaysia sees itself as a bridge between the EU and ASEAN. However, it feels that in spite of long-standing relations, the EU has still not fully acknowledged the importance of its partnership with ASEAN even as the regional body has an expanding list of 10 key dialogue partners including Australia, Canada, China, India, Japan, New Zealand, South Korea, Russia, the UN, and the US. Bilaterally, Malaysia feels that the donor-recipient paradigm remains prevalent in the relationship with the EU and that an upgrade is in order, not least given the growing importance attached by the EU to relations with China *vis-à-vis* other Asian partners. The EU's emphasis on democracy and other values-based clauses in bilateral negotiations is also questioned in Kuala Lumpur.

The EU and Malaysia share similar security interests and are also gradually establishing cooperation on maritime security and CBRN issues. Given the frequency of natural disasters in Malaysia, disaster preparedness is a key area for cooperation. Malaysia is party to the South China Sea territorial dispute and seeks political support from the EU on calling for a peaceful resolution based on the rule of law and the ASEAN-proposed regional code of conduct. While the EU-Malaysia relationship has made significant progress on commercial and economic issues, there is scope to foster political cooperation between the two parties. ●



EUROPE TRAVEL / FLICKR

Myanmar

The EU-Myanmar relationship stands out as a prime example of the EU's political engagement in Asia. It has also become an important dimension of the EU's relationship with ASEAN. For over two decades, the EU applied incremental, targeted sanctions against Myanmar's authoritarian regime. With like-minded partners, the EU (and the US) led international efforts to isolate the country so as to pressure the regime and induce change. This policy represents one of its most elaborate and coordinated attempts at democracy promotion in a third country. On top of an arms embargo, trade measures, targeted travel bans and asset freezes, the EU and its member states extended support to the local civil society and expatriate community. EU and various member state leaders also raised on several occasions the issue of Myanmar in bilateral dialogues and summits with most of the country's neighbours and with ASEAN. The weight of the EU was felt most strongly within international bodies like the UN and its agencies, where international aid to Myanmar was successfully blocked: Myanmar received international development assistance as low as \$6 per capita in comparison to \$42 that went to Vietnam, \$52 to Cambodia and \$62 to Lao PDR. However, the EU dovetailed its policies with limited humanitarian aid and development assistance in key selected sectors: health, education, and refugees.

Myanmar



Stalemate between Brussels and Nyapidaw limited cooperation between the EU and ASEAN between 1997 and 2010. A number of important meetings were boycotted. EU-ASEAN foreign ministers' meetings did not take place for many years, while ASEAN refused to attend the 2005 ASEM Economic Ministers' Meeting in Rotterdam because the Netherlands had refused to provide visas to Myanmar officials. In 2009, the EU considered lack of democratic progress in Myanmar as a prime reason to abandon region-to-region Free Trade Agreement (FTA) negotiations with ASEAN, which had began in 2007.

While not negligible, pressure from the EU, the US and others has not been the decisive factor triggering the recent political transition in the country. More important has been the sustained policy of engagement pursued by ASEAN and other regional partners, showing Myanmar's leadership the benefits of economic and political reform, and the initiative of Myanmar's President Thein Sein. After the unprecedented and rapid political changes that took place in 2011, ending 49 years of repressive military rule, Myanmar rose dramatically onto the international agenda. The military junta was dissolved with the establishment of a nominally civilian government following the 2010 general elections; a new constitution was approved by referendum; international democracy

icon Aung San Suu Kyi was released from house arrest after two decades; the National League for Democracy (NLD) was allowed to register as a political party; hundreds of political prisoners were freed; new labour laws permitted the formation of unions; permission for peaceful demonstrations was granted; and the government set out to build peace with rebels and armed ethnic groups by signing a number of ceasefire agreements. A series of economic reforms were also initiated: managed floating exchange rate system, revision of national banking laws, improvements to the payment system, promotion of financial sector capacity-building, and upgrades to the national budget and fiscal system, amongst others. The pace of reform and political opening stunned the world and the EU, which, like most Western nations, observed with cautious optimism.

Acknowledging the top-down political revolution in the making, the EU suspended sanctions in April 2012, with the exception of the arms embargo which it will maintain until 30 April 2014, and in July of 2013 it reinstated Myanmar within the Everything But Arms (EBA) scheme. All this followed the 2012 by-elections (to which the EU sent an observer mission) that saw Aung San Suu Kyi's party the National League for Democracy win 43 of 45 vacant seats in the 664-member parliament. The EU has

since reached out intensively to Myanmar. The surge of visits of high-level officials from both the EU (including various EU commissioners) and member states has been impressive. During the first visit of High Representative Catherine Ashton in April 2012, the EU Delegation was inaugurated in Yangon while the establishment of a Peace Centre was announced during European Commission President Barroso's visit in November 2012.

It is now essential for the EU to follow a medium- to long-term comprehensive strategy of engagement and accompany the country's rehabilitation into the 21st century. The EU is an important player in Myanmar. Its humanitarian aid has been beneficial (€134 million since 1994) and the Union is the largest donor to peace-related projects in the country. For example, the EU has advanced €700,000 to the Myanmar Peace Centre and is helping the government establish a National Crisis Response Centre. Throughout the years of repressive rule by the military junta, European governments' main focus had been on democratisation, human rights, peace and national reconciliation, as well as inter-communal relations.

The EU does well in pressuring the country to solve communal and ethnic violence, especially in the Rakhine and Kachin states

and towards the Rohingya Muslim community. EU diplomats are keen on EU support to ethnic peace efforts (a fraction of the Union's 2012–13 aid package is budgeted for peace processes), but ethnic and communal peace processes can ultimately be only internally-led and based on the political will of the parties involved – the leadership, the rebels, and religious groups. The vast body of political and economic reforms that the country will need to implement will require technical expertise from partners like the EU. Through its Instrument for Stability (IfS), the EU is currently supporting police reform in Myanmar with a €10 million package in the areas of crowd management and community policing. The EU's offer of a €200 million development aid package (mainly to the health, education, and refugee sectors) needs to be seen as part of a broader engagement. At the end of 2013, an EU-Myanmar Task Force (the first of its kind for the EU in Asia), with the participation of 100 entrepreneurs and representatives of business associations, political, development and economic figures, as well as civil society groups and NGOs, was set up as a forum for debate on Myanmar's challenges and opportunities as well as the EU's contribution.

Recent developments in the country beseech complementing support to political reforms with stronger economic engagement.

Myanmar



The EU can bring real added value to the outpouring of international assistance to the country by engaging in areas like capacity-building; providing technical expertise for legal and constitutional reform and for the financial and banking sectors; facilitating technology transfer; supporting Myanmar in its international commitments like its Chairmanship of ASEAN and ASEM in 2014; developing the country's disaster management capacity; targeting the enhancement of EU-Myanmar trade relations which can directly empower local communities; and boosting people-to-people contacts. The country's infrastructure too needs a massive overhaul, as only a quarter of the population has access to electricity. The banking sector is another area for collaboration since improvement of access to credit is a key priority for the government. During 2000–10, Myanmar's economy grew at an annual average of 12 per cent. According to McKinsey Group, Myanmar's GDP has the potential to quadruple by 2030, provided that the political and business environment continues to improve. Transparency is an important field in a country deeply affected by corruption. Myanmar ranked 157th of 175 countries on Freedom House's Corruption Perception Index in 2012. Other initiatives might include a judicial training programme and supporting the reintegration of the half million-strong Tatmadaw (the armed forces), with a special focus on

child soldiers. Engaging on non-traditional security, especially curbing the drugs trade, is crucial. Myanmar is the second-largest global producer of opium and an important source of illegal drugs, in particular amphetamines.

In short, bilateral EU-Myanmar relations need to focus on the institutionalisation of political and economic reforms, bilateral trade and investment, and rapid urbanisation. Weaving normative end-goals into practical economic and political collaboration, as well as technical assistance, will help strengthen Myanmar's civil society and the institutional capacity of a government that is just now learning how to manage and distribute national public goods. A foreign investment law that ensures a stable and predictable environment for external investors has been passed by parliament, and a law on special economic zones is being overhauled. For Myanmar, engaging with the West represents a strategic gateway to balance mounting pressures from China and India, as well as a fast-track to development to catch up with the rest of Asia. ●



OBRA 19 / CREATIVE COMMONS

Philippines

In 2014 the EU and the Philippines celebrate half a century of bilateral relations. The relationship was initially development-oriented (the 1984 Philippines-EC Framework Agreement for Development Cooperation provided the basis for EC-assisted development projects in the country). However, as the Philippines is not only experiencing greater economic development but also finds itself in the midst of a global security hotspot facing a rising China, the content and context of EU-Philippines relations is set to change.

Bilaterally, the EU and the Philippines meet in the framework of a senior officials' meeting held on average every two or three years, which takes stock of the entire spectrum of bilateral relations (and ASEAN issues). The absence of an institutionalised ministerial meeting is being increasingly felt as relations have expanded. In 2012, the Philippines' foreign minister and EU High Representative Catherine Ashton met officially for the first time. The two sides signed a Partnership and Cooperation Agreement (PCA) on 11 July 2012 in Phnom Penh on the sidelines of the ASEAN Regional Forum (ARF), which will provide a better architecture to bilateral relations, increase dialogue and set a more regular timetable for meetings. The PCA also brings about new institutional mechanisms, including a joint consultative committee.

Philippines



The EU has been an important partner in the Philippines' development efforts, working closely on poverty reduction, the health sector, good governance, and democracy. Since relations began, the EU has contributed more than €1 billion in grants to projects assisting poverty reduction and raising living standards, while the European Investment Bank has provided an additional €0.5 billion in loans. The EU's Country Strategy Paper for the Philippines 2007–13 (with a financial allocation of €130 million), highlighted four key areas for cooperation, namely improvement in the delivery of and access to basic social services, particularly health services; enhancement of trade and investments flows; promotion of good governance and reforms; and restoring peace and security in Mindanao. As regards the country's Development Plan 2011–16, the EU will deliver an annual sum of around €40 million in grant funding in particular to support the Filipino Universal Health Care policy, which extends free health care to the poorest segments of society.

The EU has also been instrumental in reinforcing democracy and good governance in the Philippines, by assisting the improvement of the legislative system, as well as progress on the accountability and transparency of political activity. The EU funded projects such as the 'Healing Democracy' initiative,

which helped prevent further inter-clan clashes in Mindanao Island in the aftermath of the 2009 clashes and the subsequent declaration of a state of emergency, and supported the monitoring of the May 2010 elections. The EU-Philippines Justice Support Programme promoted judicial reforms, including better access to the justice system for the poor, and speeding up the trial of extra-judicial killings and enforced disappearance cases. A number of other priority programmes support the Good Governance Agenda of President Aquino, trade integration, and employment programmes. The EU's engagement with Filipino civil society has addressed a wide spectrum of issues, ranging from social questions, the environment, human rights, migration, and the rights of indigenous people.

The EU's role in supporting the peace process and the development of local communities in Mindanao has been noteworthy in that it oversaw the Humanitarian, Development and Rehabilitation component of the International Monitoring Team (headed by Malaysia and involving Brunei, Indonesia, Japan, Norway, and the EU), distributing more than €150 million since the 1990s. Mindanao, the agricultural basin of the Filipino archipelago and its second-largest island, was affected by separatist movements led by the Moro Islamic Liberation Front (MILF) riding on

significant economic disparities and religious differences. Clashes between MILF forces and the Philippines' army caused more than 100,000 deaths while nearly half a million were displaced. In 2013, the government agreed to a wealth sharing deal with the MILF.

The EU is also one of the most important sources of humanitarian and emergency aid to the Philippines. EU support has covered a number of projects in the field of rehabilitation and disaster preparedness. In 2011 alone, 19 large tropical storms hit the archipelago. After the Haiyan storm in November 2013, the EU responded with around €20 million in humanitarian aid and reconstruction assistance, in addition to €25 million from EU member states. Since 1997, ECHO has distributed over €40 million to the Philippines to cope with natural disasters and €21 million to assist the victims of armed conflicts. ECHO also funds projects to build resilience within local communities. The EU has been particularly active in Mindanao, where it has provided more than €35 million in humanitarian aid for natural and man-made disasters to assist victims.

Trade is an important component of the EU-Philippines relationship. Bilateral trade slowed down following the crisis in

2008 but has picked up since, standing at nearly €10 billion in 2012 (goods), while trade in services was €2.1 billion in 2011. The Philippines is the EU's 47th largest trading partner in the world, with a 0.3 per cent share of the EU's total external trade, and the sixth-largest trading partner for the EU in ASEAN. Conversely, the Union is the country's fourth-largest trading partner after Japan, the US and China, with a 10.2 per cent share of the Filipino external trade. In December 2013, the Philippines applied to the EU's new reinforced Generalised Scheme of Preferences (GSP) Plus.¹ This could increase Filipino exports to the EU by €611 million. At the same time, both partners are likely to begin negotiations on a FTA in the first quarter of 2014. For the Philippines, workers' mobility issues will be key. Manila would also like to increase trade with the EU on offshore services. The EU is the largest investor in the Philippines. In 2011, the EU's foreign direct investment (FDI) stock stood at €7.6 billion (28 per cent of total FDI stock in the Philippines). Total Philippine FDI stock in the EU stands at around €1.7 billion (2010). The EU is also the second-largest source of remittances for the Philippines – €2 billion in 2012.

¹ The GSP Plus is a component of the EU's Generalised Scheme of Preferences that offers additional trade incentives to developing countries already benefitting from GSP to implement core international conventions on human and labour rights, sustainable development and good governance.

Philippines



Three key priority areas stand out for the EU-Philippines relationship, namely: engagement in the South-East Asian region, development, and disaster relief including climate change. EU-Philippines cooperation extends to traditional and non-traditional security issues, climate change, maritime issues, human rights and other political dossiers on top of EU support for democracy and good governance. The EU and the Philippines consult closely on counter-terrorism, especially regarding terrorist groups in the south of the country, trafficking (humans, drugs, and weapons), and Chemical, Biological, Radiological and Nuclear (CBRN) issues. The EU has recently established a CBRN Centre of Excellence South-East Asia Regional Secretariat in Malacañang, in the Philippines, to boost the capacity of countries in the region to respond to threats and help build a common risk mitigation policy at the national and regional levels.

In the past few years, the Philippines has been drawn to the centre of the Asian political landscape given frequent skirmishes with China in the South China Sea, especially over the Spratly Islands, and its increased engagement with the US. The US and the Philippines have a mutual defence treaty, signed in 1951 and which was renewed during a landmark visit by former US Secretary of State Hillary Clinton in November 2011. The US is also boosting

its military assistance to the Philippines with \$50 million in aid and more navy vessels, and by helping the country modernise its military. An agreement between both sides is envisaged which would provide a framework for semi-permanent 'rotational' stationing of US troops and military assets in the country.

Recently, the Philippines has initiated arbitral proceedings in order to determine the legal application of UNCLOS (United Nations Convention on the Law of the Sea) to the disputed areas of the South China Sea/West Philippine Sea. Greater political engagement with countries in the region, especially disputant states, will be important. The Philippines seeks EU support to encourage China to participate in the arbitral proceedings and to persuade all claimant states to respect the rule of law and to find peaceful and cooperative solutions. This is also in the interest of the EU. While the EU and the Philippines have developed a strong relationship since the country's independence, the golden anniversary of bilateral relations in 2014 provides the two parties with an opportunity to strengthen their political engagement. ●



MARTIN AEGGLEN / FLICKR

Singapore

As a global financial and business hub, the micro island-nation of Singapore has developed into a virtual springboard into the vast opportunities offered by a rising Asia. Having successfully weathered the global meltdown, the country today stands in good stead as a stable economy that encourages innovation and as a well-connected financial centre. As the country with the largest number of Free Trade Agreements (FTAs) (either proposed, under negotiations, or signed) in Asia, Singapore champions the notion of free trade and free markets.

Beyond economic stability and trade, Singapore punches well above its weight in international politics. ASEAN is a cornerstone of its foreign policy and Singapore is very much involved in most of Asia's regional frameworks. The Asia-Pacific Economic Cooperation (APEC) Secretariat is based in Singapore and the country hosts the annual Shangri-La Dialogue, a leading security conference. In addition, Singapore is a member and active participant in a series of international fora. In 2007–13, it contributed personnel to the NATO International Security Assistance Force (ISAF) in Afghanistan and it holds an observer status in the Arctic Council. The country pursues a policy of constructive

Singapore



engagement with all states and institutions. Its foreign policy is acutely pragmatic and while it may engage China on economic, political and cultural grounds, it hedges it all the same by allowing the US military to use its Sembawang and Paya Lebar bases.

EU-Singapore relations are largely well-functioning and bereft of major controversies. They find their legal basis in the 1980 EC-ASEAN Cooperation Agreement. Trade and investment have been the overarching dimension of bilateral relations and the economic compact has developed satisfactorily. Bilateral merchandise trade stood at €1.8 billion in 2012, registering a 12 per cent growth from the previous year and a 40 per cent rise between 2009 and 2011 despite the economic slowdown in Europe. Singapore is the EU's 14th largest trading partner, bearing a 1.5 per cent share of the EU's total external trade. Meanwhile, the EU ranked as Singapore's second-largest trading partner behind Malaysia and cut a 10.4 per cent share of the country's external trade pie. However, Singapore is the EU's seventh-largest trading partner in commercial services worldwide. Trade in services stood at €27.6 billion in 2011, around half of the merchandise trade for that year, and includes principally transport services,

business and management services, and royalties. Singapore is the EU's top trading partner within ASEAN, accounting for a third of total EU-ASEAN trade in goods and half of EU-ASEAN trade in services. It is also the EU's fifth-largest trading partner in Asia after four of the Union's so-called strategic partners: China, India, Japan and South Korea.

Investment too is a key component of the EU-Singapore relationship. The 2011 Economist Intelligence Unit Country Forecast Report ranks the city-nation 'as the most attractive investment location both regionally and globally'. Total EU-Singapore bilateral foreign direct investment (FDI) stock is around €190 billion. The EU is the largest investor in Singapore, with 27.3 per cent of total FDI stock, compared to 10.6 per cent for the US and 8.7 per cent for Japan. Singapore is the fifth-largest investor in the EU, second largest from Asia behind Japan, and the largest from ASEAN. Singapore also accounts for the vast majority of FDI inflows into the EU from the region – €1 billion in 2011 out of an ASEAN total of €12 billion.

The ease of doing business with Singapore is apparent from the more than 9,000 European companies present in the

country. The World Bank's 2012 Doing Business Report deems Singapore to have the most favourable regulatory and institutional environment in the world for conducting business. Corruption levels in the country are very low: the 2011 IMD Competitiveness Index Yearbook ranks Singapore as the least corrupt country in Asia. The same report rated the country as number one in Asia and seventh worldwide in terms of intellectual property rights protection. In addition, Singapore boasts of high labour protection and business-conducive labour regulations.

Singapore was the first ASEAN member country to begin bilateral FTA talks with the EU when the Union decided to discontinue ASEAN-EU region-to-region FTA negotiations. The EU and Singapore signed a comprehensive FTA on 20 September 2013 after negotiations were launched in March 2010. The European Commission estimates that the agreement would significantly boost bilateral trade (adding nearly €1.5 billion to EU exports to Singapore and €3.5 billion to Singapore's exports to the EU in the next decade). This FTA has set the level of ambition for EU free trade negotiations with other ASEAN member countries and the eventual region-to-region FTA. The EU Singapore FTA is also the first instance

that Singapore has recognised geographical indications,¹ a controversial issue with the EU's other negotiating partners.

Beyond commercial ties, the EU and Singapore share a growing political relationship. On 31 May 2013, both sides concluded negotiations on a Partnership and Cooperation Agreement (PCA) that is to set a comprehensive framework for bilateral relations and develop cooperation in the fields of security, energy, transport, services, science and technology, trade, and people-to-people contacts. Bilateral visits have recently picked up. EU High Representative Catherine Ashton visited Singapore in May 2013, when she attended the Shangri-La Dialogue and met Foreign Minister K. Shanmugam. Shanmugam in turn visited Brussels in September 2013.

While relations have progressed smoothly, the few hurdles in bilateral relations relate mainly to human rights issues, in particular the employment of capital punishment in Singapore, media freedom, and gay rights. Singapore ranked 149th in the 2013 Reporters without Borders' World Press Freedom Report.

¹ A geographical indication is a distinctive sign used to identify a product as originating in the territory of a particular country, region or locality, where its quality, reputation or other characteristic is linked to its geographical origin.

Singapore



EU-Singapore relations hold much promise not least when set in the wider paradigm of EU-ASEAN relations. Given Singapore's geostrategic location in the midst of the Straits of Malacca, dialogue on maritime security and safety, as well as navigation, can take a more prominent place in bilateral talks. The changing geopolitics of the East Asian region, in particular the US rebalance towards Asia and the rise of China, beckons a greater collaboration between the EU and like-minded partners such as Singapore.

The EU and Singapore also share the same concerns about the ill-effects of climate change. Cooperation on developing green urban technologies as well as renewable energies could become one of the key facets of an innovation partnership between the two parties. The EU and Singapore have a long-standing cooperation in research and innovation, which could be further developed. Finally, as actors in international development, the EU and Singapore could explore a development partnership focusing on ASEAN's least developed countries. ●



DAVID BERKOWITZ / FLICKR

Thailand

Thailand is the only South-East Asian country to have escaped colonisation. EU-Thai relations are relatively recent and unscarred by history, finding their legal basis in the 1980 EC-ASEAN Cooperation Agreement. Bilateral ties have grown progressively despite frequent roadblocks due to political instability and military coups in Thailand. The recently concluded EU-Thailand Partnership and Cooperation Agreement (PCA) (signed on 14 February 2013) offers a stronger framework for political and economic relations and a platform to adapt better the partnership to current global challenges and shared political ambitions.

Labelled by the World Bank as ‘one of the great development success stories’, Thailand is an export-oriented newly industrialised country. It is ASEAN’s second-largest economy after Indonesia and the fourth-richest country after Singapore, Brunei, and Malaysia. Thailand ranks second after Singapore in terms of external trade volume and foreign reserves. It recorded the world’s highest growth rate from 1985 to 1996, averaging 12.4 per cent annually before the collapse of the Thai currency triggered the Asian financial crisis. After years of political instability and the destabilising effects of the 2008 international financial and European debt crises, the Thai economy grew 4.3

Thailand



per cent in 2013. Nonetheless, Thailand's unemployment rate of just 0.7 per cent (first quarter 2013) is the fourth lowest globally (after Cambodia, Monaco, and Qatar). Thailand also has an impressive record in terms of poverty reduction, with more than 50 per cent Thais having crossed above the poverty line in just two decades.

The EU-Thailand partnership is well-developed across political, economic, environmental, development, and socio-cultural issues. Trade is an important component of bilateral relations. Thailand is a trading nation with exports accounting for more than two-thirds of its GDP. It is the world's largest producer and exporter of hard disk drives and rubber, the largest rice exporter and second largest of sugar. Thailand is the EU's third-largest trading partner in ASEAN after Singapore and Malaysia. In 2012, bilateral merchandise trade amounted to €32.3 billion, while services trade figures for 2011 amounted to €7.3 billion with a deficit for the EU. The Union is Thailand's third-largest trading partner after Japan and China, with an 8 per cent share of Thailand's total external trade. Thailand is the EU's 25th largest trading partner, with a 0.9 per cent share of the EU's external trade pie. As of January 2014, Thailand lost preferential access to the EU's market under the EU's Generalised Scheme

of Preferences (GSP) for a number of exports. These include meat, fish, pearls and precious metals, and prepared foodstuffs. Given Thailand's growing level of GDP per capita, as of January 2015 the EU will rescind preferential access to Thai exports and will subject Thai shipments to the EU to most favoured nation (MFN) tariff rates. The financial impact for Thailand is expected to be significant.

Thailand is also an important destination for EU investments, with European foreign direct investment (FDI) stocks worth €14 billion (2011). The EU is the third-largest stock investor in Thailand, after Japan and the US. In March 2013, the EU and Thailand started negotiations on a Free Trade Agreement (FTA), the fourth round of which is scheduled to take place in March 2014 in Bangkok. The FTA, expected to be completed within an 18-month provisional deadline, could offset the negative effects of the EU's withdrawal of Thailand from the GSP scheme. The FTA has nonetheless been met with strong reservations from Thai NGOs, which are concerned about the inclusion of alcohol products, intellectual property issues (especially generic drugs), and human rights. Thailand has the highest prevalence of HIV in Asia and the government distributes cheap treatment drugs. Other contentious issues

relate to fisheries, services, investment, regulations (public procurement, competition, and geographical indications), and sustainable development.

Thailand seeks technology transfers from the EU, which it sees as crucial for its growing and modernising economy and greater workers' mobility. EU investments are important too, especially in support of urbanisation plans. Thailand looks for technical capacity-building from the EU and a partnership on knowledge transfer. The EU is seeking better protection for its investments. An FTA with Thailand is important for the EU given the increased competition EU companies face from their Asian and American rivals. With Thailand very engaged in the global free trade race (26 FTAs proposed, ongoing or concluded), trade liberalisation would be an important step for EU commercial interests.

The political component of the EU-Thailand relationship has been punctuated by controversies given frequent political upheavals in Thailand. The EU suspended diplomatic relations with the country following the 2006 coup, resuming full diplomatic ties with the government in 2008. The country however remains bitterly divided between opposing political

camp. Amidst the ongoing (at the time of writing) debilitating political stalemate and violent protests within the country, the EU has been urging dialogue and a democratic resolution to the crisis.

On the institutional level, the EU and Thailand have a regular, albeit not annual, senior officials' meeting, which is the highest level of political dialogue. The EU-Thailand PCA will significantly increase the number of bilateral dialogues. EU Commission President Barroso and High Representative Ashton visited Thailand in 2012, while Thai Prime Minister Yingluck Shinawatra visited Brussels in 2013. Beyond economic issues, bilateral priorities include capacity-building in the security sector, and global threats and challenges. Thailand does not receive significant development aid, although EU humanitarian aid has proved at times crucial in response to the regular floods, typhoons and other natural disasters that hit the country. Following the 2011 floods, EU relief measures to Thailand through ECHO were to the tune of €2 million. Besides, ECHO has been providing assistance to Burmese refugees in Thailand since 1995, funding mainly food aid, health care and the provision of clean water and sanitation. There is a wide scope to increase cooperation in the

Thailand



health sector, notably in the fight against HIV and malaria. The EU and Thailand can successfully expand their partnership in disaster resilience and response, counter trafficking (humans, weapons, and drugs), security sector reform, deforestation, urbanisation and city planning, as well as fishing.

Thailand seeks greater engagement from the EU bilaterally, with ASEAN and in the region. Thailand's relationships with its neighbours, especially Myanmar, Lao PDR and Cambodia, offer an important gateway for enhanced dialogue and cooperation with the EU. Thailand is also amongst the top investors in these countries and in Vietnam. Dialogue on investment and market connectivity within this sub-group can be pursued and prioritised especially with a view to the objective of setting up the ASEAN Community by 2015. The EU has not been diplomatically involved on issues such as the Thai-Cambodian territorial disputes over the Preah Vihear case (a 3km long disputed territory surrounding an 11th century Cambodian temple, recently resolved by the International Court of Justice). However, the EU should actively promote respect for the rule of law and foment diplomatic channels in times of heightened tensions in its bilateral dealings with both countries.

Thailand's relationship with Myanmar, where the EU is a top international donor and important partner, is particularly relevant. Together, both parties can play a constructive role in Myanmar. Consulting Thailand on Myanmar's development, especially given Bangkok's own remarkable development history, its knowledge of Myanmar and its cultural proximity to the country could be beneficial. These consultations could for example lead the EU to target projects that have been successful in Thailand and that could be adapted to Myanmar. The Thai government's role in encouraging sustainable and legal logging in neighbouring countries Cambodia and Myanmar resonates with the EU's own efforts to promote its Forest Law Enforcement, Governance and Trade (FLEGT) initiative, which aims to protect forests and biodiversity.

Thailand is not directly involved in the dispute concerning the South China Sea, but considers that greater involvement of the EU in promoting diplomatic solutions could help overcome the zero sum logic. In this regard, Thailand sees the EU's aims as compatible with those of ASEAN. ●



MATT BISHOP / FLICKR

Vietnam

Recently included in the Next Eleven (N11) and the CIVETS – Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa – groups of emerging countries, the economic rise of post-war Vietnam has been nothing short of impressive. The Doi Moi reforms of the mid-1980s transformed much of the country from a highly-centralised and largely-agrarian economy into a socialist-oriented, planned market economy that encouraged industrialisation and privatisation. Vietnam achieved around 8 per cent average GDP growth from 1990 to 1997. Growth was further sustained at around 6.6 per cent from 2000 to 2013 as the country began its integration into the larger world economy. Vietnam joined the World Trade Organisation (WTO) in 2007 and is today one of the most open economies in Asia.

While Vietnam is one of the world's few remaining single-party socialist states, the Vietnamese government has made important strides in poverty reduction, promoting income equality, raising living standards, and subsidising education and healthcare. Equitable economic policies have contributed to reducing poverty by nearly 50 per cent in the past 20 years. Today, 18.9 per cent of the population lives below the poverty line and the country's relative poverty rate is below that of China and the

Vietnam



Philippines. In 2012, Vietnam's unemployment rate was only 4.4 per cent. Vietnam's GDP stood at \$138 billion in 2012, with a per capita income of \$1,527. Goldman Sachs expects the economy to become the world's 17th largest by 2025, and according to PricewaterhouseCoopers, Vietnam will by then become the fastest growing emerging economy worldwide.

The EU and Vietnam established official diplomatic ties only in 1990, the last of the ASEAN group of states. The relationship is also arguably the most rapidly transforming one, keeping pace with the radical economic and social transformations in the country over the past two decades. A primarily aid and trade based partnership, it has quickly broadened to other areas of political cooperation. A Partnership and Cooperation Agreement (PCA) was concluded in October 2010 (signed in June 2012) and the sixth round of negotiations on a bilateral Free Trade Agreement (FTA) was completed in February 2014. The new PCA is to provide a better framework for interaction between the two partners, while significantly broadening the scope of the relationship to regional and global challenges.

Bilateral merchandise trade between the EU and Vietnam amounted to €2.9 billion in 2012, with €18.5 billion in EU

imports from Vietnam resulting in a large surplus for Hanoi. Trade has been growing significantly since 2009. In 2011, Vietnam's exports to the EU rose by 45.4 per cent, while EU exports to the country grew by 18 per cent. In 2012 the EU was the second-largest destination for Vietnamese products and its second-largest partner overall with an 11.6 per cent share of the country's total external trade. The EU was ahead of Japan and the US (with 10.3 per cent and 9.9 per cent, respectively) but was well behind China, which held a 21.2 per cent share of Vietnam's total external trade. Vietnam is the EU's fifth-largest trading partner within ASEAN and the 31st globally with a 0.7 per cent share of the EU's total foreign trade. Trade in services in 2012 stood at around €6 billion. The EU is the fourth-largest investment partner for Vietnam, with almost €1 billion in FDI in 2012.

According to a Vietnam-EU Mutrap¹ study, an FTA would create benefits for both sides, including increased exports by Vietnam to the EU by as much as 20 per cent, and an increase in Vietnam's GDP by 2.7 per cent per year. The FTA would

¹ Mutrap is a European Trade Policy and Investment Support Project executed by Vietnam's Ministry of Industry and Trade (MOIT).

also give European exporters greater access to one of the region's most dynamic markets and give the EU an edge over the already strong competition the Union faces from China, India, the US, Japan, and other ASEAN countries. The FTA is necessary for other reasons too. As of January 2014, the Generalised Scheme of Preferences (GSP) for Vietnam has been modified, introducing different regimes for different categories of products. The FTA would largely simplify rules and regulations for Vietnamese traders by cutting duties to over 90 per cent of bilateral trade. Increased liberalisation in trade and greater regulatory approximation would also be an effective way to counter the protectionist measures introduced by Vietnam, which pose major market access obstacles for EU trade and investment. Another contentious issue is the clause on the Rules of Origin (which establish where goods are made), in particular concerning the textile sector.

The EU and its member states together represent the second-largest donor of official development assistance (ODA) and the biggest aid grants provider to Vietnam: \$13 billion from 1996 to 2012. The European Union committed €743 million in ODA for 2013. Vietnam is also the European Investment Bank's leading beneficiary per capita in Asia, with over half

a billion euros in concessionary loans in the past decade. The EU has been key in promoting sustainable development in Vietnam. Green growth is also an important chapter in the FTA, which aims to benefit companies applying green technologies and the production of environmentally-friendly items through credit support programmes or credit subsidies. The EU and Vietnam are currently negotiating a FLEGT Action Plan Voluntary Partnership Agreement to counter illegal logging and improve forest governance. Given that Vietnam is one of the most natural disaster-prone countries in the world, EU emergency aid has also been important. ECHO provided nearly €21.5 million in response to natural disasters (1994–2011), €12.8 million for disaster preparedness (1998–2013), and €3.5 million in humanitarian aid for populations affected by the 2011 floods, especially in the Mekong Delta.

Political relations between the EU and Vietnam have developed concurrently to economic engagement. For example, since 2011 the two partners hold an annual bilateral human rights dialogue. Beyond Vietnam's internal challenges, the country increasingly faces difficult challenges in its region. Vietnam plays a key role in regional geopolitics, engaging in strategic balancing between major powers such as China, India, Japan

Vietnam



and the US, all of which in turn communicate with each other in some respects via their relationship with Vietnam. The latter is a key disputant of the South China Sea, where China's muscle-flexing has perturbed most of the countries in the region. The Chinese challenge is compounded by Hanoi's economic dependence on its large neighbour. Indo-Chinese rivalry recently extended to the South China Sea too, where India's state-owned oil company ONGC Videsh Ltd (OVL) has purchased oil exploration rights from Vietnam. The US and Vietnam have recently expanded bilateral military ties in five areas: maritime security, search and rescue operations, peacekeeping operations, humanitarian assistance, and disaster relief. Vietnam is interested in enhancing strategic and military ties with the US. Equally, the US is eager to acquire more access to Cam Ranh Bay, a former US Navy base overlooking the South China Sea.

The EU as an international actor with global aspirations has a role and responsibility in Asia. Given Vietnam's pivotal role in regional geopolitics, the EU's partnership with Hanoi gives it the opportunity to foster its objectives of promoting peace, maritime safety, freedom of navigation, resource sharing, and the rule of law. ●

TABLE 1: COMPARATIVE INDICATORS

Indicators

| | | Brunei Darussalam | | Cambodia | | Indonesia | | Lao PDR | | Malaysia | | Myanmar | | Philippines | | Singapore | | Thailand | | Vietnam | | |
|---|---|----------------------------|-------------------------|----------|-------------|-----------|--------------------|---------|------------|----------|--------------------|---------|------------|-------------|--------------------|-----------|-------------|----------|-------------|---------|------------|---------|
| Demography | Population (Mn) ¹ | 2013 | 0.41 | | 15.14 | | 249.87 | | 6.78 | | 29.72 | | 53.26 | | 98.40 | | 5.41 | | 67.01 | | 91.68 | |
| | | 2025 | 0.48 | | 18.12 | | 282.01 | | 8.25 | | 34.96 | | 57.65 | | 119.22 | | 6.33 | | 67.90 | | 99.81 | |
| | | 2050 | 0.55 | | 22.57 | | 321.38 | | 10.58 | | 42.11 | | 58.65 | | 157.12 | | 7.07 | | 61.74 | | 103.70 | |
| | Median Age ² | 2013 | 30.5 | | 24.4 | | 27.8 | | 20.6 | | 27.4 | | 27.9 | | 23 | | 38.1 | | 36.9 | | 29.8 | |
| | | 2025 ³ | 32.2 | | 27.6 | | 33.8 | | 25.3 | | 31.5 | | 33.0 | | 27.5 | | 47.3 | | 37.5 | | 34.4 | |
| | | 2050 | 43.7 | | 36.2 | | 38.4 | | 32.6 | | 39.3 | | 39.8 | | 31.5 | | 50 | | 51.1 | | 45.6 | |
| Dependency Ratio ⁴ | (Total = Child + Old Age) | | Child | Old Age | Child | Old Age | Child | Old Age | Child | Old Age | Child | Old Age | Child | Old Age | Child | Old Age | Child | Old Age | Child | Old Age | Child | Old Age |
| | 2010 | 37 | 5 | 51 | 6 | 40 | 9 | 62 | 6 | 44 | 7 | 39 | 8 | 54 | 7 | 21 | 14 | 30 | 11 | 37 | 9 | |
| | 2025 | 30 | 11 | 44 | 8 | 30 | 13 | 49 | 7 | 35 | 13 | 33 | 13 | 43 | 10 | 19 | 35 | 29 | 19 | 30 | 14 | |
| | 2050 | 28 | 23 | 31 | 15 | 27 | 29 | 34 | 14 | 28 | 25 | 28 | 27 | 32 | 19 | 20 | 58 | 28 | 32 | 27 | 32 | |
| Economy | GDP ⁵ (Bn €) | 2012 | 13.2 | | 10.9 | | 683.5 | | 7.2 | | 236.2 | | 51.4 | | 194.7 | | 213.8 | | 284.8 | | 110.3 | |
| | Real GDP growth (%) ⁶ | 2012 | 2.2 | | 7.3 | | 6.2 | | 8.2 | | 5.6 | | 6.3 | | 6.8 | | 1.3 | | 6.5 | | 5 | |
| | | 2011 | 2.2 | | 7.1 | | 6.5 | | 8 | | 5.1 | | 5.5 | | 3.6 | | 5.2 | | 0.1 | | 6 | |
| | | 2010 | 2.6 | | 6 | | 6.2 | | 8.5 | | 7.2 | | 5.3 | | 7.6 | | 14.8 | | 7.8 | | 6.8 | |
| | GDP per capita ⁷ (€) | 2012 | 32,010.1 | | 736.3 | | 2,768.8 | | 1,089.1 | | 8,079.5 | | 834.6 | | 2,013.6 | | 40,247.1 | | 4,265.1 | | 1,242.1 | |
| | GDP Projections (Bn \$) ⁸ | 2030 | 31.9 | | 65.1 | | 2,960.5 | | 41.7 | | 918.3 | | 189.2 | | 910.3 | | 675.8 | | 1,191.2 | | 595.2 | |
| Foreign Currency Reserves ⁹ (Bn \$) [2013] | | 104.5 (2012) | | - | | 100.2 | | - | | 127.4 | | - | | 71.1 | | 258.9 | | 167.1 | | - | | |
| Trade | Top 5 trading partners (% Goods) ¹⁰ | 2012 | Partner | % | Partner | % | Partner | % | Partner | % | Partner | % | Partner | % | Partner | % | Partner | % | Partner | % | Partner | % |
| | | | Japan | 30.5 | Thailand | 18.9 | Japan | 13.9 | Thailand | 52.5 | China | 13.8 | China | 29.5 | Japan | 14.4 | Malaysia | 11.5 | Japan | 15.3 | China | 18.5 |
| | | | S Korea | 10.4 | Vietnam | 15.4 | China | 13.4 | China | 18 | Singapore | 13.4 | Thailand | 26.9 | US | 12.8 | EU | 10.8 | China | 13.4 | EU | 13.1 |
| | | | Singapore | 9.8 | China | 13.7 | Singapore | 11.3 | Vietnam | 9 | Japan | 11.1 | Japan | 7.9 | China | 11.3 | China | 10.5 | EU | 8.7 | Japan | 11.1 |
| | | | China | 9.2 | US | 12.1 | EU | 8.4 | EU | 5.9 | EU | 9.8 | India | 7.2 | EU | 9.3 | Indonesia | 8 | US | 7.5 | US | 11 |
| | EU | 8.4 | EU | 10.5 | S Korea | 7.1 | Japan | 2.7 | Japan | 8.4 | S. Korea | 7.1 | Singapore | 8.1 | US | 7.8 | Malaysia | 5.4 | S Korea | 9.5 | | |
| | Top 5 trading partners (EU Member States) ¹¹ | 2012 | 1. UK | | 1. Germany | | 1. Germany | | 1. Germany | | 1. Germany | | 1. Germany | | 1. Germany | | 1. Germany | | 1. Germany | | 1. Germany | |
| | | | 2. Germany | | 2. UK | | 2. The Netherlands | | 2. UK | | 2. The Netherlands | | 2. UK | | 2. The Netherlands | | 2. France | | 2. UK | | 2. UK | |
| | Trade as a % of GDP (2012) ¹² | Merchandise ¹³⁾ | 100 | | 136.5 | | 43.1 | | 54.8 | | 139.7 | | - | | 46.9 | | 286.9 | | 130.5 | | 161.2 | |
| | | | Services ¹⁴⁾ | | 21.9 (2009) | | 29.1 | | 6.6 | | 9.8 | | 26.3 | | - | | 13.3 | | 86.6 | | 14.2 | |
| | Rank among EU trade partners (2012) ¹⁵ | | 102 | | 84 | | 30 | | 135 | | 25 | | 140 | | 49 | | 14 | | 26 | | 32 | |
| | Goods (Bn€) (2012) ¹⁶ | Total Imports | | 5 | | 11.9 | | 149.2 | | 4.9 | | 153.2 | | 13.2 | | 48 | | 295.7 | | 193.9 | | 86.9 |
| Total Exports | | 9.4 | | 6.1 | | 147.9 | | 2.6 | | 177.2 | | 6.4 | | 40.5 | | 320.8 | | 177.6 | | 86.2 | | |
| Imports from the EU | | 1.2 | | 0.2 | | 9.6 | | 0.2 | | 14.5 | | 0.2 | | 4.8 | | 30.3 | | 14.8 | | 5.4 | | |
| Exports to the EU | | 0.1 | | 1.8 | | 15.4 | | 0.2 | | 20.3 | | 0.2 | | 5.1 | | 21.5 | | 17 | | 18.5 | | |
| Services (Bn€) (2011) ¹⁷ | Total Imports | | 0.8 | | 1.2 (2012) | | 25.9 (2012) | | 0.2 | | 32.7 (2012) | | 0.8 | | 11 (2012) | | 91.6 (2012) | | 40.9 (2012) | | 9.6 (2012) | |
| | Total Exports | | 0.7 | | 1.9 (2012) | | 17.6 (2012) | | 0.4 | | 29.2 (2012) | | 0.4 | | 14.4 (2012) | | 87.1 (2012) | | 38.3 (2012) | | 7.4 (2012) | |
| | Imports from the EU | | - | | - | | 2.9 | | - | | 3.2 | | - | | 1.2 | | 16.1 | | 2.4 | | - | |
| | Exports to the EU | | - | | - | | 1.8 | | - | | 2.5 | | - | | 1.1 | | 11.5 | | 4.8 | | - | |

Indicators

| | | | Brunei Darussalam | Cambodia | Indonesia | Lao PDR | Malaysia | Myanmar | Philippines | Singapore | Thailand | Vietnam |
|---------------------------------|--|--|-------------------|-------------|-----------|---------|----------|---------|-------------|-----------|----------|---------|
| Investment | FDI Flows | Inflows (\$) ¹⁸ (2012) (Mn \$) | 850 | 1,557 | 19,853 | 294 | 10,074 | 2,243 | 2,797 | 56,651 | 8,607 | 8,368 |
| | | Outflows (\$) ¹⁹ (2012) (Mn \$) | 8 | 31 | 5,423 | -21 | 17,115 | - | 1,845 | 23,080 | 11,911 | 1,200 |
| | | From the EU (€) ²⁰ (2011) (Mn \$) | - | - | 5,100 | - | 3,600 | - | 400 | 5,800 | 1,300 | - |
| | | To the EU (€) ²¹ (2011) (Mn \$) | - | - | 162 | - | 0 | - | 100 | 8,200 | 100 | - |
| | FDI Stock | Inward (\$) ²² (2012) (Mn \$) | 13,302 | 8,413 | 205,656 | 2,483 | 132,400 | 11,910 | 31,027 | 682,396 | 159,125 | 72,530 |
| | | Outward (\$) ²³ (2012) (Mn \$) | 699 | 423 | 11,627 | -9 | 120,396 | - | 8,953 | 401,426 | 52,561 | - |
| | | From the EU (€) ²⁴ (2011) (Mn \$) | - | - | 27,000 | - | 24,000 | - | 7,500 | 122,800 | 14,100 | - |
| | | To the EU (€) ²⁵ (2011) (Mn \$) | - | - | -2,500 | - | 3,800 | - | 1,200 | 67,300 | 500 | - |
| Innovation and Competitiveness | R&D ²⁶ (2002-2010) ²⁷ | Expenditure as % of GDP | - | - | 0.1 | - | 0.6 | - | 0.1 | 2.7 | 0.2 | - |
| | | Researchers per million people | 286.3 | 17.4 | 89.6 | 15.8 | 364.6 | 18.4 | 78.5 | 5,834 | 315.5 | 115.9 |
| | Global Competitiveness Index 2013-2014 ²⁸ | Rank | 26 | 88 | 38 | 81 | 24 | 139 | 59 | 2 | 37 | 70 |
| | | Score | 4.9 | 4 | 4.5 | 4.1 | 5 | 3.2 | 4.3 | 5.6 | 4.5 | 4.2 |
| | Global Innovation Index 2013 Overall Rankings ²⁹ | Rank | 74 | 110 | 85 | - | 32 | - | 90 | 8 | 57 | 76 |
| | | GII Score | 35.5 | 28.1 | 32 | - | 46.9 | - | 31.2 | 59.4 | 37.6 | 34.8 |
| Market Readiness (Ranking) | Market Size ^{30 31} | | 131 | 92 | 15 | 122 | 26 | 79 | 33 | 34 | 22 | 36 |
| | Quality of Overall Infrastructure ³² | | 39 | 86 | 82 | 65 | 25 | 146 | 98 | 5 | 61 | 110 |
| | Business Sophistication ³³ | | 56 | 86 | 37 | 78 | 20 | 146 | 49 | 17 | 40 | 98 |
| | Country Credit Rating ³⁴ | | - | 115 | 56 | 125 | 30 | 138 | 60 | 4 | 44 | 75 |
| | Intellectual Property Protection | | 39 | 99 | 55 | 64 | 30 | 126 | 78 | 2 | 102 | 116 |
| | Strength of Investor Protection | | 100 | 69 | 41 | 146 | 4 | - | 107 | 2 | 13 | 134 |
| | Prevalence of Trade Barriers ³⁵ | | 70 | 80 | 71 | 79 | 30 | 108 | 60 | 4 | 50 | 104 |
| | Availability of Financial Services | | 57 | 81 | 51 | 79 | 22 | 142 | 40 | 5 | 26 | 93 |
| | Availability of Latest Technologies | | 50 | 82 | 60 | 112 | 37 | 148 | 47 | 16 | 75 | 134 |
| Governance and Society | Human Development Index (2013) ³⁶ | Rank | 30 | 138 | 121 | 138 | 64 | 149 | 114 | 18 | 103 | 127 |
| | | Voice and Accountability ³⁸ | 33 | 19 | 51 | 5 | 38 | 4 | 48 | 54 | 37 | 6 |
| | Governance Indicators 2012 ³⁷ (By Rank - 0=Lowest, 100=Highest) | Political Stability ³⁹ | 77 | 41 | 27 | 47 | 45 | 18 | 15 | 97 | 13 | 56 |
| | | Government Effectiveness ⁴⁰ | 75 | 22 | 44 | 21 | 80 | 4 | 58 | 100 | 61 | 44 |
| | | Rule of Law ⁴¹ | 73 | 17 | 34 | 23 | 66 | 6 | 36 | 96 | 50 | 38 |
| | Corruption Perceptions Index ⁴² | Rank | 38 | 160 | 114 | 140 | 53 | 157 | 94 | 5 | 102 | 116 |
| GINI Index ⁴³ (2009) | Score | - | 36 | 38.1 (2011) | - | 46.2 | - | 43 | 47.8 | 40 | - | |

TABLE 1: COMPARATIVE INDICATORS

Indicators

| | | Brunei Darussalam | Cambodia | Indonesia | Lao PDR | Malaysia | Myanmar | Philippines | Singapore | Thailand | Vietnam | |
|---|---|--|----------|-----------|---------|-------------|---------|------------------------------------|-----------|----------|---------|---------|
| Energy, Environment and Resources | Total production of energy ⁴⁴ | 2011 (Mtoe) | 18.69 | 3.64 | 346.99 | - | 93.12 | 23.10 | 23.25 | 0.00 | 63.88 | 71.38 |
| | Total net imports of energy ⁴⁵ | 2011 (Mtoe) | -14.61 | 1.61 | -147.34 | - | -17.61 | -7.29 | 18.80 | 55.85 | 46.24 | -10.63 |
| | Total primary energy supply ⁴⁶ | 2010 (Mtoe) | 3.3 | 5 | 207.8 | - | 72.6 | 14 | 38.4 | 32.8 | 117.4 | 59.2 |
| | Renewable energy ⁴⁷ | 2010 (% of TPES) | 0 | 3.6 | 71.6 | - | 4 | 11 | 14.1 | 0.2 | 23.1 | 17.1 |
| | CO ₂ emissions (2011) | Mt of CO ₂ ⁴⁸ | 8.91 | 4.09 | 425.88 | - | 193.96 | 8.25 | 77.12 | 64.77 | 243.19 | 137.36 |
| Emissions/GDP (Kg CO ₂ /2005 \$) ⁴⁹ | | 0.88 | 0.14 | 1.06 | - | 1.04 | 0.45 | 0.57 | 0.37 | 1.16 | 1.75 | |
| Per capita (t CO ₂) ⁵⁰ | | 21.94 | 0.28 | 1.76 | - | 6.72 | 0.17 | 0.81 | 12.49 | 3.50 | 1.56 | |
| Military Balance | Defence Budget ⁵¹ (2012) | Million \$ | 411 | 217 | 6,866 | 18.7 (2011) | 4,697 | - | 2,977 | 9,722 | 5,387 | 3,363 |
| | | As a % of GDP | 2.4 | 1.6 | 0.8 | 0.2 (2011) | 1.5 | - | 1.2 | 3.6 | 1.5 | 2.4 |
| | Military Interventions | Personnel contribution to UN Peace-keeping Operations/ Rank (2012) ⁵² | 26/87 | 341/43 | 1546/21 | - | 910/28 | - | 701/33 | - | 38/82 | - |
| EU Instruments | EIDHR 2011-2013 ⁵³ | | - | 900,000 | 900,000 | 600,000 | 300,000 | 900,000 | 900,000 | - | - | 600,000 |
| | Development Cooperation Instrument 2007-2013 (Mn €) ⁵⁴ | | 0 | 152 | 494 | - | 17 | 150 (package assistance 2012-2013) | 130 | 0 | 17 | 304 |
| | Scholarships – Erasmus Mundus | Masters Courses 2004-2013 ⁵⁵ | - | 27 | 344 | 10 | 166 | 14 | 225 | 41 | 269 | 313 |
| | | Doctorates 2004-2013 ⁵⁶ | - | 1 | 8 | - | 4 | 2 | 7 | 1 | 6 | 15 |

- 1 *World Population Prospects: the 2012 Revision*, Department of Economic and Social Affairs, United Nations. Medium variant, available at: http://esa.un.org/wpp/Documentation/pdf/WPP2012_%20KEY%20FINDINGS.pdf
- 2 *Ibid.*
- 3 *Ibid.*, 2008 Revision.
- 4 *Ibid.*
- 5 Bilateral Relations, Country Factsheets, DG Trade, European Commission, available at <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries-and-regions/> Data from: *World Economic Outlook*, International Monetary Fund. GDP measured at market rates.
- 6 *Ibid.*
- 7 *Ibid.*
- 8 *World in 2050: The BRICs and beyond: prospects, challenges and opportunities*, PwC (PricewaterhouseCoopers) – available at: http://www.pwc.com/en_GX/gx/world-2050/assets/pwc-world-in-2050-report-january-2013.pdf
- 9 Data Template on International Reserves and Foreign Currency Liquidity, International Monetary Fund.
- 10 *Op. Cit.* in Note 5.
- 11 European Commission, DG Trade - available at : http://exporthelp.europa.eu/thdapp/display.htm?sessionId=EC7BB31319B07F17?CD70C7665FEB36F?page=st%2fst_Statistics.html&docType=main&languageId=en
- 12 *World Development Indicators*, The World Bank, available at: <http://data.worldbank.org/products/wdi>
- 13 Merchandise trade as a share of GDP is the sum of merchandise exports and imports divided by the value of GDP, all in current US dollars. World Trade Organization and World Bank GDP estimates.
- 14 Trade in services is the sum of service exports and imports divided by the value of GDP, all in current US dollars.
- 15 *Op. Cit.* in Note 5.
- 16 *Ibid.*
- 17 *Ibid.*
- 18 World Investment Report 2013: Global Value Chains: Investment and Trade for Development, United Nations Conference on Trade and Development statistics, available at http://unctad.org/en/Pages/DIAE/World%20Investment%20Report/World_Investment_Report.aspx
- 19 *Ibid.*
- 20 *Op. Cit.* in Note 5.
- 21 *Ibid.*
- 22 *Op. Cit.* in Note 18.
- 23 *Ibid.*
- 24 *Op. Cit.* in Note 5.
- 25 *Ibid.*
- 26 *Human Development Report 2013*, United Nations Development Programme, Available at: <http://hdr.undp.org/en/content/human-development-report-2013>
- 27 Data refer to the most recent year available during the period specified.
- 28 K. Schwab, *The Global Competitiveness Report 2013-2014*, World Economic Forum, 2013.
- 29 S. Dutta and B. Lanvin, *The Global Innovation Index 2013*, Cornell University, INSEAD and the World Intellectual Property Organization, 2013.
- 30 All market readiness indicators are reported in the Global Innovation Index, *Op. Cit.* in Note 29.
- 31 Market Size is the sum of gross domestic product plus value of imports of goods and services, minus value of exports of goods and services, 2012.
- 32 Assessment of general infrastructure (e.g., transport, telephony, and energy), 2012-13.
- 33 Business sophistication concerns two elements that are intricately linked: the quality of a country's overall business networks and the quality of individual firms' operations and strategies.
- 34 Institutional Investor's Country Credit Ratings are based on expert assessment of the probability of sovereign debt default, March 2013.
- 35 The extent to which non-tariff barriers (e.g., health and product standards, technical and labeling requirements, etc.) limit the ability of imported goods to compete in the domestic market, 2012-13.
- 36 *Op. Cit.* in Note 26.
- 37 *The Worldwide Governance Indicators*, World Bank, 2013.
- 38 Reflects perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
- 39 Reflects perceptions of the likelihood that the government will be destabilised or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.
- 40 Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- 41 Reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
- 42 *Corruption Perceptions Index 2013*, Transparency International, 2013.
- 43 *GINI Index*, The World Bank, The Gini coefficient measures the degree of inequality in the distribution of family income in a country. A value of 0 represents absolute equality; a value of 100 absolute inequality.
- 44 *Key World Energy Statistics 2013*, International Energy Agency.
- 45 *Ibid.*
- 46 *Renewables Information*, International Energy Agency, 2012. The total primary energy supply (TPES) is made up of production + imports – exports – international marine bunkers – international aviation bunkers +/- stock changes.
- 47 *Ibid.*, Renewables include: hydroelectricity, geothermal, solar photovoltaic, solar thermal, tide, wave, ocean, wind, solid biomass, biogas, liquid biomass and renewable municipal waste.
- 48 *Op. Cit.* in Note 44. Figures only include emissions from fossil fuel combustion.
- 49 *Ibid.*, GDP at market exchange rates.
- 50 *Ibid.*
- 51 SIPRI military expenditure database, available at : http://www.sipri.org/research/armaments/milex/milex_database
- 52 *Ranking of Military and Police Contributions to UN Operations*, UN Factsheet, 31 December 2013.
- 53 Multiannual Indicative Planning – European Commission – Available at: http://ec.europa.eu/europeaid/what/human-rights/documents/20110321_mip_eidhr_2011-2013_for_publication3_en.pdf
- 54 European External Action Service, available at: http://ec.europa.eu/europeaid/where/asia/country-cooperation/index_en.htm
- 55 European Commission - Erasmus Mundus Masters Courses, number of enrolled students – 2013, available at: http://eacea.ec.europa.eu/erasmus_mundus/results_compendia/documents/statistics/cumulative/statistics_by_country_erasmus_mundus_masters_students_selected_each_academic_year_2004-05_to_2013-14.pdf
- 56 European Commission – Erasmus Mundus Doctorates, number of enrolled students – 2013, available at: http://eacea.ec.europa.eu/erasmus_mundus/results_compendia/documents/statistics/cumulative/statistics_by_country_erasmus_mundus_doctorates_candidates_selected_each_academic_year_2010-11_to_2012-13.pdf

TABLE 2: TOP TRADE PARTNERS OF ASEAN MEMBER STATES

| 2012 | 1 | 2 | 3 | 4 | 5 |
|-------------|-------|-------|-------------|-------|-------------|
| Brunei | Japan | ASEAN | South Korea | China | EU |
| Cambodia | ASEAN | China | US | EU | Japan |
| Indonesia | ASEAN | Japan | China | EU | South Korea |
| Lao PDR | ASEAN | China | EU | Japan | South Korea |
| Malaysia | ASEAN | China | Japan | EU | US |
| Myanmar | ASEAN | China | Japan | India | South Korea |
| Philippines | ASEAN | Japan | US | China | EU |
| Singapore | ASEAN | EU | China | US | Japan |
| Thailand | ASEAN | Japan | China | EU | US |
| Vietnam | China | ASEAN | EU | Japan | US |

| 2011 | 1 | 2 | 3 | 4 | 5 |
|-------------|-------|-----------|-------------|-----------|-------------|
| Brunei | Japan | ASEAN | South Korea | Australia | India |
| Cambodia | ASEAN | US | China | EU | Japan |
| Indonesia | ASEAN | Japan | China | EU | South Korea |
| Lao PDR | ASEAN | Australia | China | EU | Japan |
| Malaysia | ASEAN | China | Japan | EU | US |
| Myanmar | ASEAN | China | India | Japan | South Korea |
| Philippines | ASEAN | Japan | US | China | EU |
| Singapore | ASEAN | EU | China | US | Japan |
| Thailand | ASEAN | Japan | EU | US | South Korea |
| Vietnam | China | ASEAN | EU | Japan | US |

| 2010 | 1 | 2 | 3 | 4 | 5 |
|-------------|-------|-------|-------------|-----------|-------------|
| Brunei | Japan | ASEAN | South Korea | Australia | China |
| Cambodia | ASEAN | US | China | EU | Canada |
| Indonesia | ASEAN | Japan | China | EU | US |
| Lao PDR | ASEAN | US | China | Australia | EU |
| Malaysia | ASEAN | China | Japan | EU | US |
| Myanmar | ASEAN | China | India | Japan | South Korea |
| Philippines | ASEAN | Japan | US | EU | China |
| Singapore | ASEAN | EU | China | US | Japan |
| Thailand | ASEAN | Japan | China | EU | US |
| Vietnam | China | ASEAN | US | EU | Japan |

| 2009 | 1 | 2 | 3 | 4 | 5 |
|-------------|-------|-------|-------------|-------|-------------|
| Brunei | Japan | ASEAN | South Korea | India | Australia |
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| Myanmar | ASEAN | China | India | Japan | South Korea |
| Philippines | ASEAN | Japan | US | EU | South Korea |
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| Thailand | ASEAN | Japan | China | US | EU |
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|-------------|-------|-------|-----------|-------------|-------------|
| Brunei | Japan | ASEAN | Australia | South Korea | EU |
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| Malaysia | ASEAN | US | EU | China | South Korea |
| Myanmar | ASEAN | China | India | Japan | South Korea |
| Philippines | ASEAN | US | Japan | EU | China |
| Singapore | ASEAN | EU | China | US | Japan |
| Thailand | ASEAN | Japan | EU | China | US |
| Vietnam | China | ASEAN | Japan | US | South Korea |

EU-ASEAN dialogues

Ministerial dialogues

EU-ASEAN Ministerial Meeting **Biennial**

ASEAN Economic Ministers and EU Trade Commissioner
Consultations Meeting (AEM-EU) **Annual**

Other dialogues

EU-ASEAN Joint Cooperation Committee **Annual**

EU-ASEAN Meeting of the Committees of Permanent Representatives **First held in 2014**

EU-ASEAN SOM on Trans-national Crime (SOMTC) **Annual**

EU-ASEAN dialogue on human rights **Annual**

EU-ASEAN dialogue on ICT **Annual**

EU-ASEAN dialogue on aviation **Annual**

EU-ASEAN dialogue on climate change **Annual**

EU-ASEAN dialogue on energy **Annual**

EU-ASEAN dialogue on science and technology **First held in 2013**

EU-ASEAN High Level Dialogue on Maritime Cooperation **First held in 2013**

List of Abbreviations

| | | | |
|-------------------|--|-----------------|--|
| AADMER | ASEAN Agreement on Disaster Management and Emergency Response | CTBT | Comprehensive Test Ban Treaty |
| AAP-JRCC | ASEAN Action Plan on a Joint Response to Climate Change | DCI | Development Cooperation Instrument |
| ACCI | ASEAN Climate Change Initiative | DIPECHO | ECHO Disaster Preparedness Programme |
| ADB | Asian Development Bank | EASCAB | EU-ASEAN Statistical Capacity Building Programme |
| ADMM+ | ASEAN Defence Ministers Meeting Plus | EBA | Everything But Arms |
| AEMF | ASEAN's Expanded Maritime Forum | EC | European Community |
| AFCC | ASEAN Framework on Climate Change and Food Security | ECAP | EU-ASEAN Project on the Protection of Intellectual Property Rights |
| AFTA | ASEAN Free Trade Area | ECCIL | EU Chamber of Commerce and Industry |
| AHA Centre | ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management | ECHO | European Community Humanitarian Office |
| AICHR | ASEAN Intergovernmental Commission on Human Rights | EEZ | Exclusive Economic Zones |
| APEC | Asia-Pacific Economic Cooperation | EIDHR | European Instrument for Democracy and Human Rights |
| ARF | ASEAN Regional Forum | EIF | Enhanced Integrated Framework |
| ARISE | ASEAN Regional Integration Support from the EU | EU | European Union |
| ASEAN | Association of Southeast Asian Nations | EU SHARE | EU Support to Higher Education in ASEAN Region |
| AWGCC | ASEAN Working Group on Climate Change | EWGs | Expert Working Groups |
| CBRN | Chemical, Biological, Radiological and Nuclear | FDI | Foreign Direct Investment |
| CIVETS | Colombia, Indonesia, Vietnam, Egypt, Turkey, and Thailand | FLEGT | Forest Law Enforcement, Governance and Trade |
| CNRP | Cambodia National Rescue Party | FTA | Free Trade Agreement |
| CSDP | Common Security and Defence Policy | G20 | Group of 20 |
| | | GDP | Gross Domestic Product |

| | | | |
|----------------|--|---------------|--|
| GHG | Greenhouse Gases | NSEDP | National Socio-Economic Development Plan |
| GIs | Geographical Indications | ODA | Official Development Assistance |
| GSP | Generalised Scheme of Preferences | OIC | Organisation of Islamic Countries |
| HADR | Humanitarian Assistance and Disaster Relief | PCA | Partnership and Cooperation Agreement |
| HDI | Human Development Index | PERC | EU Rehabilitation Programme for Cambodia |
| IMF | International Monetary Fund | READI | Regional EU-ASEAN Dialogue Initiative |
| IP | Intellectual Property | ReCAAP | Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships |
| ISAF | NATO International Security Assistance Force | RCEP | Regional Cooperation Economic Partnership |
| ISG | Inter-Sessional Group | SMEs | Small and Medium Size Enterprises |
| JCC | Joint Cooperation Committee | SOM | Senior Officials Meeting |
| LDCs | Least Developed Countries | TAC | Treaty of Amity and Cooperation |
| LGBT | Lesbian, Gay, Bisexual, and Transgender | TDF | Trade Development Facility |
| Lao PDR | Lao People's Democratic Republic | TPP | Trans-Pacific Partnership |
| LPRP | Lao People's Revolutionary Party | TRA | Trade-Related Assistance |
| MDGs | Millennium Development Goals | UNCLOS | United Nations Convention on the Law of the Sea |
| MFN | Most favoured nation | UNICRI | United Nations Inter-regional Crime and Justice Research Institute |
| MILF | Moro Islamic Liberation Front | OVL | ONGC Videsh Ltd |
| NGO | Nongovernmental organisation | UXO | Unexploded Ordnance |
| NLD | National League for Democracy | WTO | World Trade Organisation |
| NPT | Treaty on the Non-Proliferation of Nuclear weapons | | |

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