

SEMINAR
EU-ASEAN Relations at 45: A New Momentum
EVENT REPORT

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EIAS Brussels

Seminar organised by EIAS, the European Parliament in ASEAN and the ASEAN Brussels Committee (ABC).

On the 23rd of March, 2023, the European Institute for Asian Studies, the European Parliament in ASEAN, and the ASEAN Brussels Committee (ABC) hosted a joint seminar on ‘EU-ASEAN Relations at 45: A New Momentum’, reflecting on the December 2022 Commemorative Summit and 45 years of EU-ASEAN relations. With a large turnout of participants from a variety of different backgrounds including the EU institutions, diplomatic representations, academia, think tanks, civil society and business representatives, the event produced a vibrant discussion on the next steps actors could take for strengthening cooperation between the two regions. The discussion was divided into two panels, chaired respectively by Mr Xavier Nuttin, EIAS Senior Associate and member of the EIAS advisory board, and Mr Antoine Ripoll, Director of the European Parliament in ASEAN. After the Welcome Address by Ms Lin Goethals, EIAS Director H.E. Ambassador Andri Hadi of the Republic of Indonesia delivered the opening address, emphasising the need to find new opportunities of cooperation for EU-ASEAN relations to be strengthened. This was followed by the keynote speech provided by Vice-President of the European Parliament, Heidi Hautala, in which she called for increased collaboration between ASEAN and the EU on tackling climate change and pollution, as well as aligning both their interests on trade relations and sustainable development. She also asserted that the international community must step up its game in supporting democratisation in Myanmar.

After her keynote speech, Ms Hautala joined the first panel, which addressed the *Political Dynamics of the EU-ASEAN strategic partnership*. The panel was introduced by the chair, Mr Xavier Nuttin, who explored the commonalities, differences, and opportunities for the EU and ASEAN, so as to jointly tackle global challenges. The first panellist, H.E. Ambassador Lim Hong Huai of the Republic of Singapore affirmed the similarities between the EU and ASEAN, recognising that they are the two strongest and most successful economic blocs in the world and that continued cooperation is unequivocally within their interests. After 45 years EU-ASEAN relations remain strong. The two blocs are each other’s third largest trading partners and maintain strong economic relations. The potential for cooperation between the EU and ASEAN is limitless, but ASEAN’s preference is to find a balance in how much influence the EU can exert on the region. The EU and ASEAN were built on the basis of peace and stability, and a commitment to the multilateral rule-based order, with respect to the principles of international law. Ambassador Lim acknowledged the existing differences between both, noting that while the EU focuses mainly on values, ASEAN’s governing principles of non-interference, consensus, and

respect for each other remain ‘strong and dear to them’. Finally, he called for mutual respect between the two blocs and asserted that while both the EU and ASEAN have their own ‘standards’, in a time of greater political uncertainty they have the responsibility of building upon their existing relations and strengthening them.

Next, the floor was given to Professor David Camroux, Honorary Research Fellow and Adjunct Professor at Sciences Po Paris and Member of the EIAS Advisory Board, inquiring about how the EU and ASEAN can cooperate in handling the Myanmar situation. In a world where most things are shades of grey, Professor Camroux asserted that there currently are two black-and-white situations: the War in Ukraine, and the situation in Myanmar. He outlined the 3-fronts on which the civil war in Myanmar is occurring, notably the military front, international opinion, and post-civil war development. Prof. Camroux placed greater focus on the often overlooked third front, arguing that the EU and ASEAN have already begun cooperating through the special advisory group on Myanmar and NGOs. Nonetheless, the EU and ASEAN regularly suffer from the expectation-capability gap, calling for a clear assessment of what the expectations and capabilities of the two blocs are. ASEAN is not equipped to deal with inter-state conflicts alone, having been more successful in doing so in cooperation with the UN and the EU. He concluded by stating that there are differential actions that the EU and ASEAN can cooperate upon to end the conflict in Myanmar.

The discussion continued with the third panellist, Barbara Plinkert, Head of Division for Southeast Asia in the European External Action Service (EEAS), on the topic of how the EU and ASEAN, despite their many differences, will work together to address the four challenges (the Russian invasion of Ukraine; the increased militarisation of the South China Sea; the lack of progress in implementing the Five Point Consensus in Myanmar and the launch of ballistic missiles by the DPRK) identified at the ASEAN Regional Forum by Joseph Borell. She reaffirmed the imperative for the two strongest regional blocs to cooperate, as global rules, the international order, and multilateralism are under threat, with a ‘crisis in the international system’ given these four challenges. Quoting Ambassador Lim’s foreign minister, Plinkert highlighted that ‘the EU and ASEAN are instinctive multilateralists’ and are based upon openness, transparency, and inclusivity. She concluded by touching upon how the EU and ASEAN are working together to address these challenges, including the six packages of sanctions imposed by the EU in response to the situation in Myanmar, and the continued support the EU provides ASEAN regarding the increased militarisation of the South China Sea.

Finally, Vice-President of the European Parliament Heidi Hautala, speaking on the topic of the future of the ASEAN Inter-parliamentary Assembly (AIPA), brought up the importance of collaboration between the two blocs on sustainability, as the future of this planet is a shared concern. Highlighting the Anti-Deforestation regulation as a positive development that targets all commodities that are a direct cause of deforestation she called for rules to be applied universally for there to be a fair game between both producer and consumer countries and for a shift to a circular economy and a reduction of wasteful consumption. Regarding the civil war in Myanmar she noted it was interesting to see ASEAN moving away from non-interference, recognising that there is a growing, young civil society in Myanmar fighting for a democratic, inclusive, and multi-ethnic future. She concluded by affirming that the EU and ASEAN have

reached a state of maturity in their relations where they can now be honest and frank with one another.

During the Q&A session questions from the audience touched upon what differentiates the EU-ASEAN outlook from others, and whether such cooperation ought to be acceptable, as ASEAN is compelled to compromise given the presence of Great Powers in the region. In response, David Camroux remarked that the EU's added value is its position as a 'third party' for ASEAN that distances it from the Sino-American rivalry. Barbara Plinkert added that it is important to find commonalities and foster the EU-ASEAN outlook in an inclusive way. The global gateway is a useful instrument to deliver shared sustainable ambitions in priority areas. With regard to the current situation in Myanmar, Ambassador Lim Hong Huai pointed out that we should focus on Myanmar people's perspective and expectations, rather than the EU's or ASEAN's. Another question raised regarded the involvement of NGOs in ASEAN's decision-making process. Ambassador Lim Hong Huai highlighted that ASEAN is an intergovernmental organization, not a supranational one, so the involvement of NGOs are regulated internally, by the single states.

After a short coffee break the discussion resumed with the second panel exploring the topic of "Trade as a key driver of EU-ASEAN cooperation". This panel's chair, Mr Antoine Ripoll, Director of the European Parliament in ASEAN, opened with the remark that there is no trade possible without security, emphasising that we need to ensure peace and stability in our world. This is why the EU is so pleased with ASEAN being supportive of the multilateral and rules-based order. He cautioned that trade is no longer just about trade, and that whilst it brings growth and jobs, it is also about sustainable development and green policies, human rights, secure investment and stability. While trade between the EU and ASEAN is extremely vibrant, we know it could even be more vibrant. In this respect the EU's Free Trade Agreement (FTA) with Vietnam was pointed out as a good building block for further progress.

The opening question for the panel was addressed to H.E. Ambassador Nguyen Van Thao of the Socialist Republic of Viet nam to the EU, to assess where we are in the implementation of the FTA. The ambassador highlighted the already 45 year old partnership of long-standing relations between ASEAN and EU, as the two are natural partners, not competitors, building on common values and booming trade and investment. As the two most advanced regional organisations in the world, trade will be a strong impetus to further strengthen the ASEAN-EU Strategic Partnership. With the EU launching the EU Strategy for Cooperation in the Indo-Pacific, it marked a major step in Europe's increasing engagement in the Indo-Pacific with ASEAN at the centre. ASEAN is also welcoming the EU's support to ASEAN's Master Plan on Connectivity.

ASEAN is looking forward to the EU's support to ASEAN in achieving its sustainable development goals, providing capacity building for ASEAN countries, building stronger networking opportunities for our business communities, but also on issues such as deforestation, palm oil, IUU (irregular, unreported and unregulated fishing), improving quality standards as differences in quality standards between the two sides create obstacles for trade growth. ASEAN and the EU represent a combined market size of more than 1 billion people with a significant untapped market potential. ASEAN, a growing dynamic market with favourable

investment policies and a young and skilled workforce, offers huge potentials in investment cooperation for the EU with its advanced technologies and management expertise. But both sides also need to understand and respect the cultural differences.

He pointed towards FTAs and IPAs as very important tools for strengthening cooperation, underlining its mutually beneficial nature as trade is one of the areas where there is a clear win-win situation for both sides. The bilateral FTAs, such as the ones already established between the EU and Viet Nam and Singapore, as well as the ones under negotiations between the EU and Indonesia, Malaysia, Philippines, Thailand could be stepping stones. Viet Nam stands ready to share their experiences and contribute to this process. For Viet Nam, the EVFTA has brought multi-faceted benefits and greatly contributes to the economic recovery efforts. Over 1000 EU companies have been investing in Viet Nam and the Vietnamese government supports with special investment incentives foreign investors with advanced technologies to make long-term commitments in Viet Nam, as a gateway to the ASEAN market.

The conversation then turned to the next speaker, Dora Correia, Director of Africa, Asia, and the Pacific at the European Commission's Directorate-General for Trade. She was asked whether following the December 2014 Commemorative Summit she believed there is now a more favourable mood, what difficulties we might expect, and whether there is already a concrete timeline for progress on the EU's FTAs with its partners in ASEAN. She agreed that the December 2022 summit did indeed provide an impetus but reaffirmed that the EU-ASEAN region-to-region FTA remains a long-term objective. She noted that the sectoral cooperation approach taken with ASEAN is something the EU only has with its closest partners. She expressed looking forward to concluding the CEPA with Indonesia, in principle because it promises to give more legal certainty for investment relations, as well as to increase Indonesia's attractiveness for investors. On sustainability she pointed out that there exists a series of autonomous instruments for implementing this within trade policy, such as the deforestation regulation instruments, CBAM, and due diligence. She mentioned the role of FTAs as platforms for deepening collaboration of this nature, whilst pointing towards how the generalised system of preferences (GSP) can encourage countries to comply with sustainability standards.

Turning to the third speaker, Mr Jan Zahradil, a Czech Member of the European Parliament, the questions focused on what the role of the European parliament should be in FTAs and in the establishment of an EU-ASEAN parliamentary assembly. Mr Zahradil opened by remarking that regarding ASEAN, we are facing a window of opportunity which is not endless. He suggested that EU relations with ASEAN could be a good way to revitalise the idea of EU strategic autonomy which slightly faded away with the war on Ukraine and new emphasis on transatlantic unity. He called for a greater recognition of ASEAN as a gathering of very diverse countries with various histories and political systems, used to operating differently depending on their geopolitical contexts. He recommended 'ASEAN-EU partnerships: the untold story,' a collection of essays by Asian analysts detailing how these countries see Europe, viewing it as too patronising and pushy. It is in this context that he welcomed the idea of a joint parliamentary assembly and its capacity as a constructive platform that can discuss these relations and provide for human-to-human contact.

The fourth and final speaker of this second panel on trade, Mr Noel Clehane, Global Head of Regulatory & Public Policy at the EU-ASEAN Business Council, talked about the issue of EU legislation on local actors, and how the private sector can be supported to make sure these rules are protected and respected. He affirmed that the business community in Europe finds ASEAN a very profitable place to invest, and that both sides find business is good and want to do more. He cautioned that ASEAN is more than just a pass-through region, and a thriving economy in its own right, expected to become the largest single market in terms of population by 2030. There are challenges when facing trade in relation to sustainability and other topics, and the business community in ASEAN countries, with very few exceptions, are often not on the same page or able to match EU business ambitions in terms of sustainability. As such it is necessary to provide them with time and resources to allow for this. He concluded by saying RCEP shows that ASEAN is capable of concluding trade agreements and that the EU is by far one of the most trusted partners in the region, and so must act on this.

During the Q&A session questions asked were how well the EU has mitigated the impact on SMEs from the deforestation law as well as how much the elections in Thailand will affect FTA negotiations. To this Ms Dora Correia responded that the impact of such legislation is being carefully monitored, with Noel Clehane adding that we need to engage deeper in conversation with these actors. To the question on the FTA with Thailand, Ms Dora Correia remarked that the relaunching of the FTA negotiations is a project with broad political support in Thailand. They look forward to working with the new administration and do not anticipate any major issues. The next question asked what information is being given to civil society regarding the developments on standards. Mr Jan Zahradil drew the attention to the fact that parliamentarians had called for continuing actions orientated at raising awareness for businesses and citizens in regions with existing FTAs. The final question inquired if there were any prerequisite conditions needed prior to the establishment of a regional FTA, and whether the EU had any views on potential prioritisations in the regional sectoral approach to clear the pathway towards an EU-ASEAN FTA. Ms Dora Correia stated there were no specific prior conditions, which is why EU FTAs are broad. She reiterated that the idea of a sectoral approach is to build shared understanding and progress to facilitate discussions.

In his closing remarks, H.E. Ambassador Jaime Victor B. Ledda, coordinator for ASEAN-EU dialogue relations and Ambassador of the Philippines to the EU, took note of how well the event had been received by all and the positive implications for EU-ASEAN cooperation. He observed that the new challenges faced by the EU and ASEAN will require making substantial adjustments to the way things used to be done, in particular with regards to the covid-19 pandemic, climate challenges, as well as ensuring basic food and energy supplies. He concluded by underlining how climate change threatens to radically transform many vulnerable ASEAN landscapes, and encouraged states to support the ASEAN Centre of Biodiversity. To conclude the discussion EIAS Senior Associate Mr Xavier Nuttin remarked that the EU and ASEAN are instinctively like-minded and should recognise their differences. Yet, instead of focusing on these differences, coalitions should be built on the many other things in common. There is plenty of opportunity for the EU and ASEAN to cooperate beyond trade, affirming that collaboration should be asserted as a partnership of equals with no superior standards.