



# ***EU-ASEAN Relations***

## ***Essay Series***

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## The road to the 45<sup>th</sup> anniversary of EU-ASEAN relations

In early June, Josep Borrell, the EU's top diplomat, came to Jakarta to engage with Indonesian and ASEAN interlocutors. Throughout the visit, he delivered a simple, yet powerful message: the Indo-Pacific is becoming the world's centre of gravity, this is where the future of humankind is being written, and at the heart of the Indo-Pacific lies ASEAN. The EU has therefore an important geoeconomic and geopolitical stake in this region and in strengthening ties with ASEAN, our natural partner.

Of course, this relationship is not new. The EU and ASEAN have been partners for 44 years, crafting a solid, reliable partnership anchored in trade and development cooperation throughout this process. Over the last decade, however, this relationship has undergone many changes and turned into a political and all-rounded strategic partnership.

### ***The COVID-test***


The COVID-19 pandemic was a litmus test for our longstanding partnership. It is my firm belief that the EU and ASEAN rose to the challenge posed by this unprecedented health crisis. Only a few days after the WHO declared COVID-19 a global pandemic, the EU and ASEAN held a dedicated Special Foreign Ministers' Meeting, during which they decided to join hands to address the health crisis and its socio-economic impact. Over the past 18 months, we have done just that.

In May last year, the EU announced a dedicated 800 million EUR "Team Europe" package to mitigate the impact of COVID-19 in ASEAN, which was topped up by a 20 million EUR support programme for WHO activities in the region in December 2020. The EU and ASEAN have held regular exchanges and high-level expert dialogues on COVID-19 vaccines to discuss cooperation, the emergence of new variants, the scaling up of manufacturing capacity and the vaccine roll-out. Finally, in a bid to close the "vaccine gap", the EU and its Member-States have been the leading supporter of the COVAX Facility, pledging 2.8 billion EUR to assure fair and equitable access to safe COVID-19 vaccines. I am happy that today the majority of ASEAN countries have received several millions of doses from the COVAX Facility. Allow me to underline our key guiding principle - instead of supporting vaccine nationalism, the EU has exported 50% of its vaccine production to over 45 countries across the globe. We do not only say that "no one is safe until everyone is safe" – we actively work to make it happen too.

Meanwhile, the economic damage inflicted by the pandemic has been universal. With sharp downturns in international trade, FDI flows, and international visitors, our respective regions have faced difficult times. Now that we see some light at the end of the tunnel, EU and ASEAN will be busy "building back better", above all in a sustainable manner and with an eye on climate change, the other unfolding global crisis of our times.

### ***Building back better***

Over the last 50 years, the EU and ASEAN have been pivotal economic partners. Our private sector has always been active in Southeast Asia, holding a quarter of the total FDI stock in the region, making the EU the largest investor, and ASEAN's third largest trading partner. We



think that an integrated economic community is in ASEAN's interest and in our interest. Such integration boosts ASEAN's regulatory environment, its market resilience and attractiveness but also its political autonomy.

During this ongoing recovery phase, we are focusing on “building back better” with green and sustainable development at the core of our strategies. The green and digital transition, which accelerated during the pandemic, is now a key factor in relaunching and modernising our respective economies. While in Europe, we are rolling out the EU Green Deal for a circular, carbon-neutral economy by 2050, working with ASEAN – and all our major partners – on the green agenda is a priority to make climate action a global reality.

Another key focus is sustainable connectivity. The EU has traditionally been a longstanding supporter of various aspects of ASEAN's Master Plan on Connectivity (trade facilitation, infrastructure, people-to-people mobility). The ASEAN Customs Transit System (ACTS), the first ever-computerised customs-transit management system in ASEAN supported by the EU, was launched last November.

More recently, a ground-breaking development was the conclusion – after six years of negotiation – of the first ever region-to-region Comprehensive Air Transport Agreement (CATA) in June 2021. This will create new opportunities for aviation cooperation and increased air connectivity between our two regions during the post-COVID recovery phase.

Meanwhile, the trade agenda continues to develop further. The EU has concluded some and is negotiating other free trade and investment agreements with a number of ASEAN countries. These agreements form building blocks for an ambitious region-to-region trade and investment framework.

### ***Towards the 45<sup>th</sup> year of partnership***

Next year, the EU and ASEAN will celebrate 45 years of dialogue partnership. It will be a moment to reflect and prepare ourselves for the challenges of tomorrow. How do we deal with digitalization in the context of the Fourth Industrial Revolution? How do we increase our climate ambition in order to address the greatest crisis of our times that is showing no signs of abating? How do we step up our military and defence cooperation to protect our jointly shared values?

More than ever, the world needs stability - this means a rules-based international order, effective multilateralism, and an open multilateral trade system. On all of these issues, the EU and ASEAN are natural partners. We should – and I am certain that we will - rise to the challenge once again.