



EU-ASEAN Relations

Essay Series

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Singapore and the EU signed the EU-Singapore Free Trade Agreement (EUSFTA) in October 2018. The EUSFTA is an ambitious, forward-looking FTA, which serves as a strategic pathfinder for an eventual region-to-region FTA between ASEAN and the EU.

ASEAN and the European Union (EU) are probably the two most successful regional organisations in the world. Our partnership, formalised in 1977, is based on a shared vision of achieving peace and prosperity through a rules-based multilateral order, regional integration, and inclusive region-to-region cooperation. The global uncertainty amidst the COVID-19 pandemic, increased protectionism, and sharpened major power rivalry has made the partnership between ASEAN and the EU all the more crucial. Singapore has been the coordinator for ASEAN-EU Dialogue Relations for the last three years. We are gratified that ASEAN-EU relations were elevated to a Strategic Partnership at the 23rd ASEAN-EU Ministerial Meeting in December 2020. This has opened a new phase for us to enhance cooperation on a wide array of issues, including free and fair trade, climate change and sustainable development, COVID-19, cybersecurity, the rules-based multilateral order, and inter-regional connectivity.


ASEAN and the EU will emerge collectively stronger from the pandemic. We convened one of the first dialogues on COVID-19 which ASEAN held with an external partner – the ASEAN-EU Ministerial Video Conference on COVID-19 in March 2020. Dialogues on COVID-19 vaccines followed. ASEAN and the EU share a common interest in supporting affordable, fair and equitable access to safe and effective COVID-19 vaccines through vaccine multilateralism. As the world's largest exporter of vaccines, the EU plays an indispensable role in post-COVID-



19 recovery and resilience. ASEAN appreciates the EU's commitment on this front, including Team Europe's package of over €800 million to combat the spread of COVID-19 and mitigate its impact in ASEAN, and the EU's commitment to extend a further €20 million to ASEAN under its "Southeast Asia Health Pandemic Response and Preparedness" support programme with the World Health Organization.

To accelerate economic recovery post COVID-19, we should intensify efforts towards an ASEAN-EU Free Trade Agreement (FTA). Sceptics may be daunted by the diverse economic conditions among member states in both regions. On the contrary, this adds to the strategic and economic value of an ASEAN-EU FTA. ASEAN has a population of 650 million people and a combined GDP of US\$2.8 trillion, while the EU has a population of 446 million and combined GDP of US\$15.6 trillion. In 2019, the EU was ASEAN's third largest trading partner, accounting for 10.1 per cent of ASEAN's total trade. COVID-19 has catalysed protectionism, disrupted supply chains and autarky. The FTA will be an opportunity to support economic recovery, reinforce the importance of upholding open and connected supply chains, and facilitate digitalisation. The entry into force of the EU's bilateral FTAs with Singapore and Vietnam in 2019 and 2020 respectively, and advancements in the EU's FTA negotiations with other ASEAN Member States are important building blocks towards a future region-to-region ASEAN-EU FTA.


COVID-19 has highlighted the importance of connectivity as a key element for the ASEAN-EU relationship, business confidence, and ultimately economic development. On 2 June 2021, we concluded the world's first bloc-to-bloc air transport agreement – the *ASEAN-EU Comprehensive Air Transport Agreement* (AE CATA), after five years of negotiations. This is a historic milestone for our civil aviation and tourism sectors, which have been severely battered by the pandemic. It was timely that ASEAN and the EU adopted a *Joint Ministerial Statement on Connectivity* in December 2020, affirming our commitment to strengthen synergies between the *Master Plan on ASEAN Connectivity 2025* and the *EU Strategy Connecting Europe and Asia* with sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence, and people mobility as priority areas. With support from the EU's ASEAN Regional Integration Support programme (ARISE-Plus), ASEAN launched the ASEAN Customs Transit System (ACTS) on 2 November 2020 to facilitate the cross-border transit movement of goods over land, bringing time savings and cost reduction for businesses and citizens within ASEAN. Robust private sector investment to



support new financing tools is also crucial to sustain our long-term efforts. The work of the ASEAN Catalytic Green Facility (ACGF) under the ASEAN Infrastructure Fund and the work of the European Investment Bank (EIB) in supporting infrastructure investment in numerous ASEAN Member States have been invaluable in this regard.

ASEAN and the EU share a common interest in the transition to a low-carbon and climate-resilient future in response to climate change. Close cooperation with the EU will facilitate effective implementation of the Paris Agreement. Both regions can work together to incentivise companies and consumers to switch to carbon-friendly products, services, and activities, whilst promoting industry innovation and green growth to bring us closer to achieving net-zero emissions. ASEAN and the EU can collectively promote and advance effective clean energy technologies and solutions, such as low-carbon hydrogen. The EU and European development banks' support in co-financing more than half of the US\$1 billion mobilised by the ACGF is just one aspect of ASEAN and the EU's multifaceted cooperation in sustainability. We jointly convened two High-Level Dialogues on Environment and Climate Change in 2019 and 2020, where issues like climate mitigation, adaptation, and waste management were discussed. The EU-ASEAN Dialogue Instrument (E-READI) has supported projects such as the Sustainable Use of Peatland and Haze Mitigation in ASEAN, which has been among the centrepieces of ASEAN's vision to become a haze-free region. As a member of the EU-initiated International Platform on Sustainable Finance, Singapore looks forward to advancing ASEAN-EU cooperation in environmentally sustainable investments.

Cybersecurity cooperation will remain a linchpin of ASEAN-EU relations, with more of our business transactions and day-to-day communications being conducted online. The 2019 *ASEAN-EU Statement on Cybersecurity Cooperation* stresses that both regions will promote an open, secure, stable, accessible, and peaceful information and communication technology environment. The EU has helped to enhance ASEAN's capacities in this area, including working with Singapore on the Singapore-EU Workshop on Protection of ICT-Enabled Critical Infrastructures under the ASEAN Regional Forum Inter-Sessional Meeting on Security of and in the Use of Information and Communication Technologies (ARF ISM on ICTs Security). We are also happy to have the EU as one of our partners at the ASEAN-Singapore Cybersecurity Centre of Excellence (ASCCE). ASEAN and the EU can deepen cybersecurity cooperation by leveraging these regional



structures to develop capacity-building programmes, especially on technical and Computer Emergency Response Team (CERT)-related issues.

Finally, the strategic context in which the ASEAN-EU relationship operates cannot be over-stated. Peace and stability are critical for businesses to thrive. Being geographically situated at the core of the highly contested Indo-Pacific, ASEAN has inevitably been exposed to geopolitical competition. It was for this reason that ASEAN decided to articulate our perspective on the evolving regional architecture through the *ASEAN Outlook on the Indo-Pacific* (AOIP), which guides our cooperation in the region. Remaining inclusive and open to cooperation with all our partners based on agreed rules and international law is key. We are heartened that the EU's *Strategy for Cooperation in the Indo-Pacific* also espouses an open, inclusive, and rules-based order anchored in international law, and especially the 1982 *UN Convention on the Law of the Sea* (UNCLOS). The EU's support for ASEAN Centrality and ASEAN-led regional architecture is appreciated. We welcome the EU's strong emphasis on strengthening its strategic trade position in the Indo-Pacific by negotiating ambitious trade and investment agreements with a wide range of partners, including those in ASEAN. The EU's priorities to enhance digital, transport, energy and human connectivity, as well as tap on the technological expertise in the region to stimulate green growth through the use of advanced manufacturing, will allow us to bring our businesses onboard. These elements reflect clear synergies with the AOIP, and reaffirm the EU's robust and wide-ranging involvement in our region. Singapore and ASEAN can work with the EU to develop and implement its Indo-Pacific Strategy in a manner that complements the AOIP and for mutual benefit.

I am delighted that ASEAN-EU relations charted significant milestones during Singapore's three-year coordinatorship of ASEAN-EU Dialogue Relations. In August 2021, the Philippines will assume the coordinatorship. With so much potential in ASEAN-EU relations, I am sure that the Philippines will work closely with the EU and build on the strong foundation anchored by our Strategic Partnership. Singapore will continue to support and facilitate the EU's collaboration with ASEAN, especially as we mark the 45th anniversary of ASEAN-EU Dialogue Relations next year.