



EU-ASEAN Relations

Essay Series

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with the support





The European Union and ASEAN relations: Forging ahead together towards a stronger recovery

In 2021, the European Union (EU) and ASEAN marks 44 years of robust cooperation and have steadily deepened relations, building on shared values of effective multilateralism and rules-based international order as well as booming trade and investment. The EU and ASEAN reaffirmed their commitment on the implementation of the Sustainable Development Goals (SDGs) as a priority for both regions which signifies an integral part of both the EU and ASEAN regional integration process. This is to ensure a sustainable and people-centred approach in the spirit of leaving no one behind.

The COVID-19 pandemic has gravely impacted the world's economy, catapulting a global health crisis into a global economic crisis that has hit the most vulnerable the hardest. As restrictions were implemented, it affected the labour markets and businesses globally and changed the way we live and work. We are currently facing one of greatest challenge of humanity and our central purpose of recovery efforts must be to serve the needs of the people. In these challenging times, ASEAN Business Advisory Council (ASEAN BAC) has emphasised the urgent need to save lives and livelihoods by balancing healthcare and economic priority measures to safely and effectively manage our way through the pandemic.

In 2020 ASEAN BAC, with the strong support from the EU ASEAN Business Council (EU-ABC) and other Joint Business Councils and sector champions, a report was published entitled 'A Pathway Towards Recovery and Hope for ASEAN' which presents 225 short- and medium-term concrete measures to the ASEAN economic ministers and leaders to address the pandemic and initiate the groundwork for a faster recovery and growth anchored on economic resilience, inclusivity and sustainability.

If there is one thing ASEAN has learned from the pandemic, it is the value of solidarity that has enabled us to mitigate the impacts of the crisis. This includes strengthening regional cooperation in which we have seen a significant collective effort from EU in support of ASEAN towards recovery. Its relations continued to flourish in spite of the pandemic where both regions agreed to take a leap as a strategic partnership at the 23rd EU-ASEAN Ministerial Meeting on 1 December 2020, working together across the three ASEAN Community Pillars.

Furthermore, we cannot fail to mention the generous collaboration of the EU with the World Health Organization (WHO) to strengthen ASEAN's capacity to respond to the pandemic and build up a resilient health system for which we are most grateful. To carry out this programme, the EU has provided €20 million (\$24.35 million) to the WHO for the governments of Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand and Vietnam.

The EU have also indicated their willingness to share its Digital Covid Certificate System which facilitates validation of vaccinations across borders aimed at promoting greater mobility and would help to resuscitate highly impacted industries such as travel, tourism and hospitality which are key GDP-drivers within ASEAN. This is definitely something ASEAN BAC can work



together closely with EU- ABC towards the ease of mobility restrictions not only for intra ASEAN travel but also with the EU.

On the economic front, the EU provides ASEAN with a great model for regional economic integration and harmonization. While we believe it has less diversity issues and challenges compared to ASEAN, the EU has served as a “big brother” to ASEAN for sharing considerable resources in terms of knowledge and best practices, technical assistance, capacity building programs and others, in facilitating the achievement of the ASEAN Economic Community Strategic Blueprint 2025.

In this regard, EU-ABC has provided a great deal of support in partnering with ASEAN BAC through instituting policy reform recommendations, programmes and projects in the key area of trade facilitation. They lend a helping hand for ASEAN to meet its targets of increasing Intra-ASEAN trade and bringing down the cost of regional trade in ASEAN, among other ASEAN Economic Community aspirations. EU- ABC in fact chairs ASEAN BAC’s Joint Business Council Working Group on Trade Facilitation and spearheads various consultative meetings with relevant ASEAN Sectoral Bodies aimed at tackling the existing NTMs and NTBs, promoting customs modernization, enhancing harmonization of quality and standards of goods and services, and related issues.

We are also delighted and encouraged that EU-ABC and EU ASEAN Regional Integration Support from the European Union (ARISE) has launched a trade facilitation instrument known as ASSIST (ASEAN Solutions for Investment, Services and Trade) that allows ASEAN businesses to file trade violations against ATIGA (Agreement on Trade in Goods in ASEAN) and expects responses from relevant sectoral bodies. The platform which became fully operational on 1 May 2019 needs all the support especially from the private sector to make it a truly effective instrument to addressing issues and challenges and facilitating trade across ASEAN.

Looking ahead, we are called upon to continue working hand-in-hand and in close coordination to ensure that all grounds are covered as we navigate the road of recovery. In pursuit of our 2021 ASEAN BAC theme of Recover. Stronger. Together. SAMA-SAMA, it is indeed noteworthy, EU-ABC has signified its intention to support Brunei’s ASEAN Chairmanship following Priority Economic Deliverables (PEDs) focusing on trade and investment, tourism, e-commerce, food, agriculture and forestry (FAF), energy and sustainability specifically on circular economy.

The EU’s leading role and contribution in promoting and addressing the key pillars of the Sustainable Development Goals provides tremendous opportunities for the business sector especially from ASEAN to step up its game towards long term sustainable growth. The whole business playing field from finance, manufacturing, markets, supply chains and the policy environment are being re-oriented towards supporting ESG (Environment, Socials and Governance) Principles and Best Practices. Governments and businesses must work together to identify and take advantage of the opportunities that are presented by the new norms anchored on ESG, digital transformation, innovation and inclusiveness that cut across all sectors. Therefore, partnering with EU business in this new realm would be a win-win for ASEAN.



Finally, ASEAN BAC expresses their support on the resumption of the ASEAN-EU FTA negotiations between the two blocs. ASEAN has proven its capability and determination to accomplish a mega-FTA with the Regional Comprehensive Economic Partnership (RCEP) last year. We welcome further cooperation in expanding ASEAN-EU relations through an FTA to tap the full potential of both regions. This will present an opportunity for ASEAN to deepen its market access in EU while building momentum towards long-term resilience, sustainable development and inclusive growth. To conclude, with an all-out support from the EU and our EU-ABC partner, we from the ASEAN business sector are confident that negotiations towards an FTA framework will set in place our relations as we grow stronger in the years to come.

**“Let us Care and Recover, Prepare for Stronger Unity
and Prosper together, Sama – Sama”**