

Singapore's role in EU-Asean ties

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The city-state's invaluable position as a conduit to the broader Asean landscape will help boost economic cooperation between Europe and S-E Asia. BY CHRIS HUMPHREY

SINGAPORE is Europe's gateway to South-east Asia, not merely by geographical location but through deliberate, visionary strategies that position the city-state as a critical hub for international trade relations.

As the first country in the Association of Southeast Asian Nations (Asean) to forge a trade deal with the European Union and, more notably, the first to be negotiating a digital trade agreement with the EU, Singapore shines as a beacon of success in EU-Asean relations.

The significance of the EU-Singapore relationship extends far beyond bilateral ties, too.

At a recent engagement with German businesses, Singapore Deputy Prime Minister Heng Swee Keat said that given its small size, the country could be a test bed for such agreements and a catalyst for a series of small changes that could pave the way for a comprehensive digital economic agreement between the EU and Asean. This, he added, would instil European firms with the confidence to expand into the Asean region, with Singapore as their launching pad.

This is what European businesses are looking towards – for elements of the EU-Singapore digital trade agreement to be a baseline or template for future digital components in the EU's free trade agreements (FTAs) with other Asean member states.

It aims to be an "ambitious and modern" agreement with legally binding rules and provisions that give certainty to end-to-end digital trade and promote a connected and secure digital environment between Singapore and the EU, among others.

This development could not have come at a more opportune time.

With the EU and the Philippines restarting their stalled FTA negotiations and progress under way for an EU-Thailand free trade pact, momentum is building for enhanced economic cooperation between the EU and Asean regions. Moreover, Asean itself is spearheading a world-first regional digital economy pact to shape the future of digital trade for its 10 member states.

In this evolving landscape of economic partnerships and digital transformations, Singapore emerges as a key player, helping to bridge the EU and Asean regions.

European businesses have noted Singa-

pore's pivotal role as a regional hub. According to statistics from the Ministry of Trade and Industry, some 11,000 European businesses operate in Singapore. The EU-Asean Business Council's (EU-ABC) upcoming business mission to the country this month demonstrates the recognition of its strategic importance.

This will be the council's first business mission to Singapore – something of an anomaly, but a testament to the open and business-friendly environment that Singapore has established.

The imperative of business missions in strengthening relations

So why a mission now? This strategic move is largely prompted by Singapore's invaluable position as a conduit to the broader Asean landscape and the developing nature of the EU-Singapore relationship.

As a leader within the Asean community, notably in the upgrading of the Asean Trade in Goods Agreement and ongoing work on the Asean Digital Economy Framework Agreement, the upcoming Singapore Business Mission will allow European businesses to hear first-hand from ministers, offering a window into Singapore's strategic ambitions for economic advancement and its role in enhancing EU ties.

The raison d'être of the EU-ABC is to increase understanding between businesses and governments, create a more conducive environment for trade and investment, and help with economic development and prosperity for a just and sustainable future.

This is why our business missions to individual countries are important. They serve as dynamic platforms for stakeholders from Europe and Asean to engage in dialogue, network, and explore new business avenues – all essential in ensuring mutual understanding and trust between businesses, policymakers, and industry leaders.

In recent years, the EU-ABC has intensified its efforts in orchestrating mission trips across most Asean member states, with Singapore being the latest addition.

Indeed, the EU and Asean share the goals of promoting regional stability, economic prosperity, and sustainable development – objectives that Singapore also clearly supports.

As staunch advocates of a rules-based global trading system, their enhanced interaction is central in fostering increased trade, investment flows, and technological exchanges, benefiting businesses and citizens on both sides. Alignment of regulatory frameworks and removal of trade barriers are also crucial steps towards deepening interaction and fostering a conducive business environment.

The EU-ABC has been at the centre of facilitating dialogue and promoting business interests between the two regions. Bilateral agreements, such as the EU-Singapore Free Trade Agreement and the EU-Vietnam Free Trade Agreement, demonstrate the commitment to deepening economic integration and liberalising trade. Collaborative initiatives in sectors such as renewable energy, digital economy, and healthcare underscore the potential for synergy and innovation through EU-Asean partnerships.

We are at a time now when activity on trade and investment issues between the EU and Asean is at an all-time high. Beyond the two FTAs mentioned above, and the aforementioned negotiations with Thailand and the Philippines, there are, of course, also the ongoing talks with Indonesia on a Comprehensive Economic Partnership Agreement.

Coupled with discussions with Singapore regarding a Digital Trade Agreement, as well as the region-to-region efforts through the EU-Asean Joint Working Group on Trade and Investment, it is clear now that Asean is very much at the forefront of trade policy thinking in Brussels. This is very much welcomed by the European business community.

Yet, this also emphasises the importance of European businesses actively engaging with South-east Asian governments, demonstrating a commitment to contributing to a just and sustainable economic development.

Business missions assist in this, signalling European businesses' eagerness to invest and trade more with Asean and work with the region for its continued prosperity, ensuring its place as an engine of global growth.

The writer is executive director of the EU-Asean Business Council