

EU - ASEAN RELATIONS : A GROWING PARTNERSHIP



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Cataloguing data can be found at the end of this publication.

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EU - ASEAN RELATIONS :

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INTRODUCTION

A Brief Introduction to EU-ASEAN Relations

Changing global relationships are a key characteristic of today's world. Nations, seeking new business, diplomatic and trade breakthroughs are constantly shaping and re-shaping their international alliances.

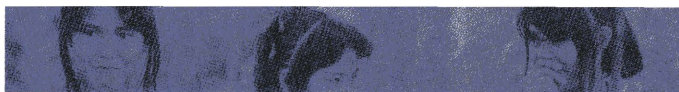
In the process, old friends and business partners are sometimes discarded. New ones, representing fresh challenges and opportunities, take their place.

But, some friendships are stronger than others. The partnership between the European Union and the Association of South-East Asian Nations (ASEAN) dates back to 1972 when the EU (then known as the European Economic Community) became ASEAN's first formal dialogue partner.

Both the EU and ASEAN have changed over the years. The EU is still the world's largest trading bloc. In addition, it will soon have a single currency, the euro, and has started discussions on its eastward expansion, a process which could lead to the creation in the early years of the new millennium of a Union including as many as 11 new Member States. These internal developments are helping to bolster the EU's global presence.

ASEAN is also becoming a more powerful player on the international stage. Burma/Myanmar and Laos joined its ranks in 1997 and Cambodia is set to become a member shortly. ASEAN's emergence as the world's most vibrant economic region has been one of the most important global developments of the last twenty years. Despite their current financial difficulties, ASEAN members are determined to work for further integration, especially in the trade and economic fields.

Not surprisingly, relations between the two regions are constantly expanding, developing progressively on the economic, political and cultural fronts. Today, the two regions are bound together through their trade and investment ties and have also forged a close diplomatic partnership.



The EU and ASEAN work together on both the bilateral level - through an EC-ASEAN Cooperation Agreement - and on the multilateral front, including the World Trade Organisation and other international fora. The EU has often said that its long-standing relationship with ASEAN is the cornerstone of its developing dialogue with all Asian countries.

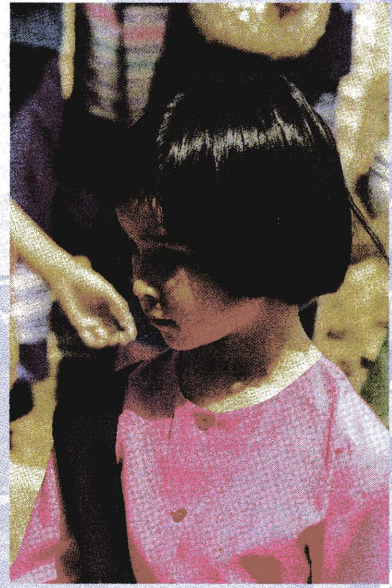
Over the next few pages, this publication will take a closer look at the web of ties that bind the EU and ASEAN, highlighting the different ways in which this relationship has grown and developed over the years.

Part One aims to give a brief yet comprehensive picture of the growing partnership. Part Two will provide details of the different facets of the European Union's relationship with ASEAN in areas like economic cooperation, business and development aid.

NOTE: This publication will refer to both the European Union (EU) and the European Community (EC). The EU came into being on November 1, 1993 when the Maastricht Treaty on European Union came into force. It covers three areas or "pillars": the first deals with economic and social aspects covered by the original European Communities set up in the 1950s (which included the European Economic Community (EEC), the European Coal and Steel Community (ECSC) and Euratom). The second "pillar" covers Common Foreign and Security Policy (CFSP) and the third "pillar" deals with Justice and Home Affairs. The European Community covers the first "pillar" and is therefore responsible for cooperation and related agreements.



Thailand



Part One

CHAPTER ONE

The Ties That Bind

The EU-ASEAN relationship is now almost three decades old. Over the years, the two groups have become more powerful global players and intensified their trade, investment and business relationship with each other. Certain key aspects of the EU-ASEAN relationship have remained constant over the years, however. This chapter takes a closer look at the ties that bind the two regions.

A

A Region-to-Region Dialogue

From the start, EU-ASEAN relations have been based on a region-to-region partnership. This has been conducted on two levels. Firstly, through a group-to-group dialogue between the EU and ASEAN which was launched at the first ministerial meeting between the two sides in 1978. Secondly, through the signature in 1980 of a Cooperation Agreement between the ASEAN countries and the European Community (EC).

It is important to underline the difference between the two tracks: the EU-ASEAN dialogue is between the two regional groups, including all their respective members. Meetings of the institutions set up under the EC-ASEAN Cooperation Agreement, on the other hand, are limited to signatories of the accord.

For the EU, the focus on building strong region-to-region links, rather than establishing relations with the individual ASEAN countries is part of a deliberate choice. It highlights the Union's commitment to promoting regional cooperation across the globe. The Cooperation Agreement with ASEAN, for instance, highlights ASEAN's role as a "viable and cohesive grouping". The preamble of the Agreement, stresses that one of its objectives is to strengthen regional organisations which are committed to economic growth, social progress and cultural development.

oting regional cooperation across the globe. The Cooperation Agreement with ASEAN, for instance, highlights ASEAN's role as a "viable and cohesive grouping". The preamble of the Agreement, stresses that one of its objectives is to strengthen regional organisations which are committed to economic growth, social progress and cultural development.



The Philippines

**Long-Term
Interests:
Regional Peace
And Stability**

B The EU-ASEAN partnership has been built on long-term and mutually-beneficial interests, not short-term, one-sided gain.

In the early 1970s, both groups were very different from what they are today. The EU counted only six Member States, while ASEAN included five countries. Trade between the two regions was limited and investment relations were modest.

Both the EU and ASEAN did, however, share one over-riding common goal, namely a commitment to regional peace and stability and a determination to achieve this aim through regional cooperation and dialogue. For both the EU and ASEAN, confrontation is not an option.

Both groups have been successful in meeting these goals. Since ASEAN was set up in 1967, there have been no armed conflicts between its members. The EU was created after the Second World War with the avowed aim of ensuring that its members never went to war with each other again.

The ASEAN Regional Forum (ARF) which apart from ASEAN members includes the EU, the United States, Russia, Canada, Australia, New Zealand and other Asian countries has been given the task of ensuring peace and stability in the region. The ARF holds ministerial sessions every year to discuss issues of interest to ASEAN and its partners.

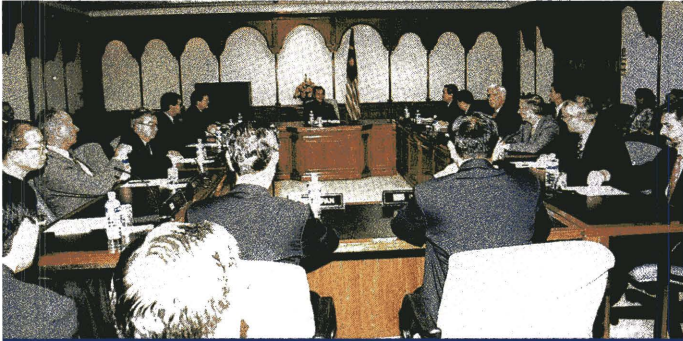
**A Dialogue
Between Equals**

C Over the last 28 years, the two regions have disagreed both in private and in public over issues like trade and human rights. But, the key to the relationship's success has been a growing recognition that this is a dialogue between equals.

Instead of the traditional donor-recipient paradigm that characterises other international link-ups, EU-ASEAN relations today - despite South-East Asia's temporary financial and economic troubles - are a perfect example of a dialogue between two equally successful and economically vibrant regions.

**Europe's
Global Reach**

D Both the EU and ASEAN are expanding their links worldwide. From Brussels to Bangkok, Helsinki to Kuala Lumpur, keeping track of the European Union's rapidly expanding global relationships is no easy task.



Kuala Lumpur - July 1997

Newspapers across the world carry regular reports of the 15 EU nations' efforts to forge economic, political and cultural ties with nations as diverse as the United States and Cuba, Russia and Turkmenistan.

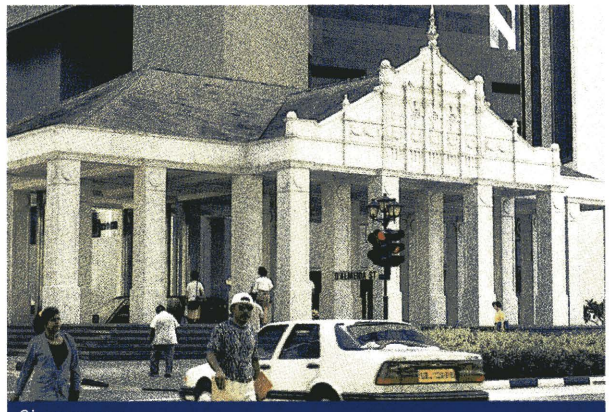
As the world's largest trading bloc, the EU has a powerful economic and business stake in building stronger links with its main trading partners. For its friends, in return, the EU represents a huge, frontier-free market, a source of bilateral aid, investments and financial support in emergencies. Above all, relations with the EU are a strong counter-balance to the presence of the United States and in some cases, Russia and Japan.

E

Asean's International Alliances

ASEAN is no stranger to global politics either. ASEAN nations hold regular high-level political meetings with the region's main friends and allies.

They are a major player within APEC, the Asia Pacific Economic Cooperation forum launched in 1989. Seven ASEAN countries are also founder members of ASEM, the process of Asia Europe Meetings launched in February 1996.



Singapore

The recent financial turmoil affecting many ASEAN countries has cast a temporary shadow over the region's standing as one of the world's most vibrant economic powerhouses. But, most analysts agree that given their fundamental economic strengths - good quality education, highly-skilled labour force, access to raw materials and an all-prevailing hard-work ethic - ASEAN nations will soon bounce back.

F

Enlargement, A Shared Goal

Both the EU and ASEAN are committed to bringing new members into their groups. EU Heads of State and Government meeting in Luxembourg in December 1997 identified ten central and eastern European countries and Cyprus as eligible for EU membership. The EU's latest enlargement process was formally launched at the end of March 1998.

ASEAN opened its doors to Burma/Myanmar and Laos in July 1997. Cambodia is set to join the group in a near future. Once that is done, ASEAN will have achieved its ambition of becoming a political and economic community and organisation which is truly representative of all of South-East Asia.

**Vive La
Difference**
**Long-Term
Interests:
Regional Peace
And Stability**

G

a) Different working methods

For all their shared aspirations, the EU and ASEAN operate in very different ways.

The enlargement process underway in both groups is one example of these differences. The central and eastern European states and Cyprus which have applied to join the EU have to fulfil three key conditions: they must have democratic systems of government, a commitment to free-markets and a willingness to accept EU rules and regulations. The EU is committed to helping the applicants to meet these conditions.

ASEAN sets no pre-conditions for membership. Its members are committed to a policy of "non-interference" in the affairs of their neighbours.

b) Different views on integration

The fifteen EU countries are committed under the Maastricht and Amsterdam Treaties to full economic and monetary union and ever-closer political integration. The single European currency, the euro, which will be introduced on January 1, 1999, is the penultimate symbol of this economic integration.

ASEAN has set itself less ambitious regional integration goals. The focus is on free trade, not full economic union.

ASEAN's focus is on consensus and informal persuasion and discussion. There is no voting in ASEAN meetings or working groups.

The EU's decision-making mechanism is much more formal and institutionalised. For example, ministerial decisions are taken by votes. EU governments often air their differences in public, while ASEAN leaders prefer to keep their disagreements private.

It is important to keep these differences in mind when looking at the EU-ASEAN relationship in further detail.



Dealing with ASEAN's financial and economic troubles

The EU has welcomed the policy reforms being undertaken by ASEAN members in response to the financial crisis and remains confident that the region will soon bounce back, stronger and more vibrant than before.

For the moment, EU governments and policymakers are keeping a close watch on financial and economic events in ASEAN, believing that what happens in the region will have an impact both on Europe's economic performance and on the global economy. There is also concern about the social cost of the crisis.

As the largest contributors to the International Monetary Fund, EU governments are involved in the rescue packages drawn up for Thailand and Indonesia. But, they are also acting separately to ease some of ASEAN's temporary pain.

ASEAN countries will be key beneficiaries of a trust fund that the EU is setting up within the World Bank to help provide technical assistance and advice needed to restructure Asia's weakened financial sector. Some of the money will also be spent on poverty-alleviation projects.

A special network of European financial experts is also being set up to speed up the reform of Asia's banks and insurance companies. ASEAN countries will be important beneficiaries of this assistance.

COUNTRY	Total Population	Land Area	Population Density	GNP			GNP per Capita			
	in millions			thousand sq.km	people per sq.km	\$ billions	rank	average annual growth %	\$	rank
	1996			1996	1996	1995-96	1996	1996	1995-96	

Macro-Economic Indicators of EU Countries

Austria	8	83	100	22.5	21	1.2	28,110	7	1.0
Belgium	10	33	310	268.6	19	1.6	26,440	9	1.4
Denmark	5	42	120	168.9	25	2.5	32,100	4	1.8
Finland	5	305	20	119.1	31	3.8	23,240	14	3.5
France	58	550	110	1,533.6	4	1.4	26,270	10	1.0
Germany	82	349	230	2,364.6	3	1.3	28,870	6	0.9
Greece	10	129	80	120.0	30	2.4	11,460	23	2.2
Ireland	4	69	50	62.0	42	9.9	17,110	19	8.7
Italy	57	294	200	1,140.5	6	1.0	19,880	16	0.7
Luxembourg*	0.4	2.6	155	16.8	--	3.8	41,210	--	--
Netherlands	16	34	460	402.6	12	4.2	25,940	11	3.9
Portugal	10	92	110	100.9	32	2.4	10,160	25	2.4
Spain	39	499	80	563.2	10	1.7	14,350	22	1.6
Sweden	9	412	20	227.3	20	1.0	25,710	12	0.8
UK	59	242	240	1,512.1	5	2.6	19,600	17	2.3
TOTAL	372.4	3,136	119	8826.7^(a)	--	2.7^(a)	23,363^(a)	--	2.3^(a)

Macro-Economic Indicators of ASEAN Countries

Brunei	0.29	5.3	50	-	-	-	-	-	-
Cambodia	10	177	60	3.1	103	6.5	300	109	3.9
Indonesia	197	1,812	110	213.4	22	7.5	1,080	74	5.8
Lao PDR	5	231	20	1.9	115	6.8	400	97	4.0
Malaysia	21	329	60	89.8	35	8.3	4,370	32	5.8
Burma	46	658	70	--	--	--	--	--	--
Philippines	72	298	240	83.3	36	6.9	1,160	70	4.5
Singapore	3	1	4,990	93.0	33	7.6	30,550	5	5.6
Thailand	60	511	120	177.5	24	5.4	2,960	46	4.4
Vietnam	75	325	230	21.9	56	9.3	290	112	7.3
TOTAL	489	4,347.3	595	683.9^(a)	--	7.3^(a)	4,111^(a)	--	10.3^(a)

CHAPTER TWO

ASEAN and the EU in Brief

In order to further understand the EU-ASEAN relationship, it is important to take a closer look at the two entities: when they were set up, their key institutions, their main agenda. What follows is not a detailed analysis of either ASEAN or the EU - this has been undertaken by other publications in both regions. The aim of this chapter is much more modest, namely to provide a brief overview of the two regional groups' main characteristics.

ASEAN at First Glance

A

a) ASEAN's Creation

ASEAN was set up on August 8, 1967, with the signing of the Bangkok Declaration by the five original Member States: Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei Darussalam joined ASEAN in January 1984. Vietnam became its seventh member in July 1995. Burma/ Myanmar and Laos joined in July 1997. Cambodia is the next in line for membership.



ASEAN members came together to fulfil three main objectives:

- promote the economic, social and cultural development of the region through cooperation;
- safeguard its political and economic stability against great power rivalry;
- serve as a forum for the resolution of intra-regional differences.

b) ASEAN's Key Institutions

The original ASEAN declaration also established the group's institutional structure, including:

- an annual meeting of ASEAN foreign ministers, known as the ASEAN Ministerial Meeting;
- an ASEAN Standing Committee, which is chaired by a foreign minister, and which maintains continuity between the annual meetings of foreign ministers;
- ad hoc committees and permanent committees, made up of specialists or officials, are set up to deal with specific subjects.

This original structure was soon expanded. The first ASEAN Heads of State and Government meeting in Bali in 1976 agreed to set up an ASEAN Secretariat in Jakarta as a central coordinating body and a channel of communication between ASEAN governments, committees and other bodies.

ASEAN summits are now the organisation's supreme decision-making authority. They are held every three years, with informal meetings in between.

c) A More Ambitious Agenda

The ASEAN agenda has become more ambitious with time. Economic ministers have been meeting since 1975 to review progress in intra-ASEAN economic cooperation. Today, one of their main tasks is to promote the development of the ASEAN Free Trade Area or AFTA. The decision to set up AFTA was taken in 1992 and the aim is to complete the process by 2003.

Since 1977, ASEAN has also held so-called "Post-Ministerial Conference" (PMC) with its main foreign allies, including the EU. The PMC is held immediately after the annual meeting of ASEAN Foreign Ministers, with discussions focusing on key international and regional issues.

In addition, the ASEAN Regional Forum (ARF) was created in 1993 to discuss regional security issues with the group's main foreign partners. Some analysts describe ARF as the Asian equivalent of the Conference for Security and Cooperation in Europe.

a) Creation

The origins of today's 15-nation European Union date back to the setting up of the European Coal and Steel Community (ECSC) in May 1950. At the time, six countries - Belgium, France, Germany, Italy, Luxembourg and the Netherlands - signed the ECSC. They later went on to establish the European

Economic Community (EEC) and the European Atomic Energy Community (Euratom) in 1958. Together, the two bodies were known as the European Communities, or the EC. With the entry into force of the Maastricht Treaty in 1992, the EC has come to be called the European Union.

B

The European Union in brief



Signature of the Treaty of Rome

United Kingdom, Denmark and Ireland joined in 1973, followed by Greece in 1981, Spain and Portugal in 1986 and Austria, Finland and Sweden in 1995. There's no set date for the EU's next enlargement, but the process of bringing Cyprus and ten eastern European countries into the group has already begun. In line to join the EU are Poland, Hungary, the Czech Republic, Slovenia, Estonia, Romania, Bulgaria, Latvia, Lithuania and Slovakia and Cyprus.

Long-Term Interests: Regional Peace And Stability

b) EU Institutions: who does what ?

- The European Commission is the EU's executive arm, with a staff of some 17,000, headed by 20 Commissioners. It is the main policy-initiating agency of the EU.
- The EU Council of Ministers brings together ministerial representatives from each Member State to take decisions on policy proposals made by the Commission. Decisions are mostly taken by majority voting, although in some areas unanimity is still the rule. The Presidency of the Council rotates among the EU Member States on a six-monthly basis.
- The European Council, composed of EU Heads of State and Government meets twice a year and represents the group's highest decision-making body.
- The European Parliament is directly elected every five years and has an increasingly influential policy-making role.
- The Court of Justice rules on questions of Community law.
- Other important EU bodies include: the Economic and Social Committee, representing employers, workers and numerous other groups; the Committee of the Regions, representing local and regional authorities; and the Court of Audit which monitors the revenues and expenditures of the EU. The European Investment Bank is the EU's long-term financing arm. The European Central Bank in Frankfurt will be responsible as of January 1, 1999 for managing the euro, the single European currency.

c) Main Challenges

Eastward enlargement, internal reform and the euro are the top items on the EU's current agenda. Bringing the former communist eastern European nations into the EU is a major priority for the EU - but it also poses a challenge. Many of these nations are not yet ready for EU membership and must adapt their internal legislation to meet EU requirements.

The EU is also preparing itself for enlargement by streamlining its institutions, reducing expenditure and becoming more efficient. This programme of internal reform is part of the Agenda 2000 package being studied by EU Member States.

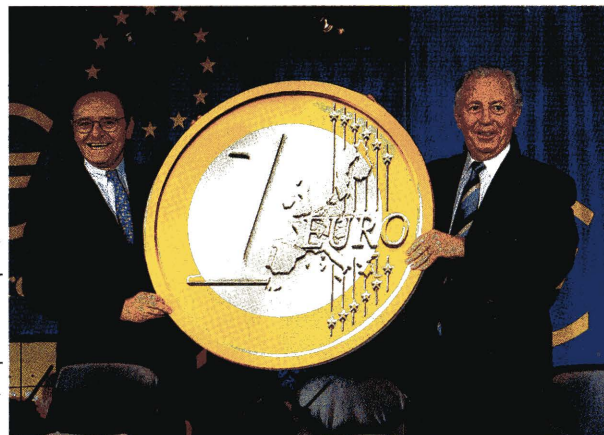
The launch of the single European currency on January 1, 1999 will make the EU the world's largest economic and trade bloc. The euro is about more than economics, however. It will be a potent symbol of a unified Europe.

Clearly, all three moves will increase the EU's external clout, making it an even more attractive partner for other nations, including ASEAN.



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Family picture from the special EURO-Council - Brussels, 2nd May 1998



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Jacques Santer and Yves-Thibault de Silguy.
Brussels, 2nd May 1998

CHAPTER THREE

A Closer look at EU-ASEAN Relations

Given their regional and global importance, it is no surprise that the EU and ASEAN have been inter-acting with each other on the economic, trade and political levels for almost three decades. This chapter will explain the development and changes in the EU-ASEAN relationship over time.

An Historical Overview

A The EU is ASEAN's oldest dialogue partner. From the start, EU policy-makers were attracted by ASEAN's regional cooperation goals, seeing in them a reflection of their own commitment to regional integration.

Informal relations between the two regions were established as early as 1972 through the Special Coordinating Committee of Asean. In 1975, an ASEAN-EEC (as it was then called) Joint Study Group was set up to look into ways the two regions could cooperate with each other.

The relationship was given a boost in the years that followed by the former German Foreign Minister Hans-Dietrich Genscher who suggested to the former Thai Foreign Minister Upadit Panchariyangkun that the two regions' regular contacts should be raised to the ministerial level. As a result, the first EEC-ASEAN ministerial meeting was held in Brussels in November 1978. Since then, these meetings have been held at intervals of about eighteen months. They are a key element in the expanding EU-ASEAN dialogue.

The Signature of the EC-ASEAN Cooperation Agreement

B A Cooperation Agreement between the European Community and ASEAN countries was signed in March 1980 at the second EC-ASEAN ministerial meeting held in Kuala Lumpur. This Agreement set out the framework for closer economic and trade relations between the two sides. It remains the cornerstone of institutional relations between the two groups.



The Signature of the EC-ASEAN Cooperation Agreement

In essence, this is a non-preferential, framework agreement which sets out objectives for commercial, economic and development cooperation. It aims to promote trade, investments and business between the two regions.

Bilateral relations between the EU and ASEAN member countries have also been established as a consequence of the wider EC-ASEAN Cooperation Agreement.

But, over the years, both the EU and ASEAN have undergone major changes. The EU has become larger, achieved a single market and is on the road to becoming a full-fledged economic and monetary union.

ASEAN has been the scene of equally significant change. The region's booming economies recorded growth rates of well over 7 percent for many years. Their trade with the outside world more than tripled in the space of 10 years. There was a parallel growth in ASEAN's purchasing power. Foreign investors poured into the region, attracted by ASEAN's dynamism. ASEAN's economic strength is reflected in its self-confidence both in its bilateral relations and its inter-action with other nations on the global stage.



Crisis- Management

Despite the current financial turmoil, it is clear that the region will be back on the growth track before too long. ASEAN has taken a pro-active approach to tackling the crisis. Individual countries affected by the financial difficulties have undertaken wide-ranging economic reforms, including the introduction of procedures for closer supervision and tighter control of the banking sector. There have also been many examples of intra-ASEAN cooperation, with members of the group helping one another.

Internationally, ASEAN has collectively called on its main partners, including the EU, to keep their markets open to ASEAN exports and to provide assistance, especially to combat the social fall-out from the crisis.

ASEAN has also, at the highest level, re-affirmed its commitment to regional economic integration and open regionalism. The ASEAN Free Trade Area, to be completed in 2003, remains on track.

Given these changing needs and roles, both sides have worked hard to upgrade and expand their ties. Recent efforts to inject new energy and momentum into the EU-ASEAN relationship can be summarised as follows:

Injecting a New Dynamic

D

- **July 1994:** A discussion paper entitled "Towards a New Asia Strategy" published by the European Commission proposed that the Union should upgrade its relations with all Asian countries, stressing that this was important for the EU's own economic future and well-being. The paper also urged the EU to build a "partnership of equals" with ASEAN. The Commission made it clear that EU relations with ASEAN would be the "cornerstone" of its expanding ties with Asia.
- **September 1994:** Foreign Ministers attending the 11th EU-ASEAN ministerial meeting in Karlsruhe in Germany agreed to reinvigorate and



intensify the long-standing EU-ASEAN dialogue and cooperation. Both sides emphasised their common commitment to the promotion and respect for human rights on the basis of the United Nations Charter and the Universal Declaration on Human Rights. They recognised that even though they sometimes disagree over some human rights issues and their application, this must not become an obstacle in the development of closer political, economic, trade and business relations between the two regions.

- a subsequent meeting of EU-ASEAN senior officials was marked by a new spirit characterised by frank and open discussions on a variety of topics, including regional political questions.
- **February 1996:** The first Asia Europe Meeting (ASEM) was held in Bangkok and brought together the 15 EU Member States with seven members of ASEAN, plus Japan, South Korea and China. The summit gave an additional impetus to the EU's widening network of Asian relations and established a vast and ambitious programme for future EU-Asia cooperation in a number of areas. It was underlined, however, that EU-ASEAN ties would remain the key to Europe's expanding relationship with countries in the Asia Pacific region.
- **July 1996:** The European Commission drew up a communication urging EU governments to work for "A New Dynamic" in EU-ASEAN relations. In it, the Commission underlined the growing economic and political importance of South-East Asia, stressing that Europe's special relationship with ASEAN would help it in its drive to expand its presence and visibility in the wider Asian region. The Commission underlined that ASEAN represented a "point of balance in the Asian region and Europe can help strengthen it in this role."

The communication made it clear that ASEAN would continue to be a vast market for EU exports and investments and an important partner for the EU within the World Trade Organisation. The Commission

called for a stronger political dialogue between the EU and ASEAN, actions to facilitate trade and investments and an increased focus on business-to-business links.

Economic and development cooperation were identified as key areas of focus. The Commission also urged the EU and ASEAN to start a dialogue on environmental protection, crime prevention, science and technology and culture.

- **February 1997:** An EU-ASEAN Foreign Ministers meeting in Singapore went along with the Commission's proposals for a "New Dynamic," thereby setting the two sides on the path to greater cooperation. Their Joint Declaration promised a deeper political dialogue, cooperation in international fora and the importance of enhanced economic cooperation. In essence, Ministers agreed to consolidate, deepen and diversify EU-ASEAN relations, with the focus on economic and business relations.

E

A New Work Programme

Following the recommendations made by Ministers in Singapore and a decision by the EU Council of Ministers in March 1998, the European Commission has drawn up a new work programme focusing on practical ways of boosting business and trade ties between the two regions.

The main highlights of this work programme are as follows:

- A mechanism allowing trade experts from both sides to talk to each other in a pragmatic, constructive and non-confrontational manner on market access issues affecting exporters from both regions. The focus of these talks is on practical ways of improving EU-ASEAN trade relations and also expanding trade between the two regions.
- Negotiation of a protocol to the Cooperation Agreement on customs cooperation and mutual administrative assistance.
- Negotiation of a protocol on quality, safety and sanitary standards, certification procedures and regulations which would help both sides to eliminate technical barriers to trade.
- The development of efforts to facilitate the liberalisation of trade in services.
- Exchange of views on investments and capital flows.
- Promotion of economic and trade integration between ASEAN nations through intra-regional cooperation.
- Development of actions designed to promote better mutual understanding.

CHAPTER FOUR

EU-ASEAN Relations' Key Features

As evident from the previous chapters, the EU-ASEAN relationship is an evolving one. Both regions are changing rapidly - internally and in their inter-action with the outside world. This chapter looks at some of the key features that give the EU-ASEAN partnership its specific character.

Institutional Framework

A Effective cooperation requires regular channels of communication. The EU and ASEAN are in continuous contact with each other through meetings between ministers and senior officials and regular encounters between diplomats and delegations.

It is important to underline that from the start the EU-ASEAN relationship has been conducted on two distinct levels.

First, there are region-to-region ministerial encounters where all countries which are members of both the EU and ASEAN can participate freely.

Second, both sides also meet regularly within the framework of institutions set up after the signature of the EC-ASEAN Cooperation Agreement in 1980. In order to participate in these meetings, new ASEAN members have to negotiate separate "additional protocols" allowing them to accede to the EC-ASEAN Agreement.

This is because of one essential reason which is not always fully understood. The EU is an internationally recognised legal entity and all countries which join it become part of its overall legal structure.

ASEAN does not have this international legal status. Its new members like Burma/Myanmar, Laos and soon Cambodia therefore have to sign separate Accession Protocols or Agreements in order to participate in the EC-ASEAN Cooperation Agreement and its institutions.

Having made that clear, we should take a closer look at the different ways in which the EU and ASEAN communicate and inter-act with each other:

a) Ministerial contacts

Regular ministerial contacts between the two sides are a guarantee that the EU-ASEAN relationship retains an important political edge.

Foreign Ministers from both regions met for the first time in 1978 in Brussels. Since then, they have held meetings every alternate year to talk about political, economic and development issues. Since 1995, in order to maintain the political momentum, EU-ASEAN senior officials also hold regular meetings - generally in the year when no ministerial meeting has been scheduled.

EU-ASEAN Ministers of Economic Affairs have also met on two occasions: the first time in Bangkok in 1985 at a special meeting and a second time in Luxembourg in 1991.

In addition, the EU participates in ASEAN's Post-Ministerial Conference, held after the annual meeting of ASEAN Foreign Ministers. The EU is represented at these encounters by a "troika" of Foreign Ministers (representing the past, present and future "presidencies" of the EU) and by the European Commissioner responsible for relations with ASEAN. The group's so-called "dialogue partners" then also attend meetings of the ASEAN Regional Forum (ARF), set up in 1994 to discuss regional security issues.

Of all ASEAN's different "dialogue partners", the EU is most involved in the region and is actively engaged in promoting intra-ASEAN cooperation.



Craftmen

b) Joint Cooperation Committees

The main body set up by the 1980 EC-ASEAN Cooperation Agreement is the Joint Cooperation Committee (JCC) which meets approximately every 18 months to discuss and approve on-going and future projects.

Along the years, given the expanding EU-ASEAN relationship, the JCC has decided to set up five sub-committees to deal with trade, science and technology, economic and industrial cooperation, forestry and narcotics. These groups report directly to the JCC.

Daily EU-ASEAN contacts are conducted through the ASEAN Brussels Committee (ABC) which is made up of ASEAN ambassadors accredited to the EU. The European Commission is responsible for managing the EC-ASEAN Cooperation Agreement.

A Growing Political Dialogue

B

Clearly, each time they meet, representatives of two such globally important regions have a great deal to talk about, ranging from elections in Cambodia to the situation in ex-Yugoslavia. Agreement is not always automatic. But, over the years, both sides have come to the conclusion that even when they do not see eye to eye on a subject, it is best to discuss the issue in a "spirit of dialogue and understanding."

The EU-ASEAN political dialogue tends to focus both on regional issues and on international flashpoints.

At the last EU-ASEAN ministerial meeting held in Singapore in 1997, the two sides devoted three pages of their final communiqué to prospects for increased political and security cooperation.

Here are some of the highlights:

- EU and ASEAN Ministers agreed, for instance, to share perspectives and information on the security and stability of their respective regions as well as at the global level.
- They promised to cooperate with each other in international fora such as the United Nations and on issues related to UN reform and global challenges such as the environment, international terrorism, organised crime, drug abuse and the sexual exploitation of children.
- Ministers called on all states to sign and ratify the Nuclear Non-Proliferation Treaty and the Comprehensive Test Ban Treaty as soon as possible. They also called on all states to ban the use, stockpile, production and transfer of anti-personnel landmines.
- Regional Asian issues discussed by Ministers included the situation in the South China sea and the Korean Peninsula. When discussions turned to Europe, the focus was on ex-Yugoslavia. The meeting also talked about the Middle East.

The most difficult discussions between the two groups have always been about human rights.

- **Human Rights**
Both sides are equally committed to the United Nations Charter and the Universal Declaration of Human Rights. Where the two regions differ is over the importance they attach to civil and political rights as compared to economic, social and cultural rights.

The EU places great emphasis on classical individual rights. For some ASEAN countries, collective values are seen to take precedence over individual rights. Moreover, economic development is viewed as more important than civil and political rights - at least until the scourge of poverty has been banished.

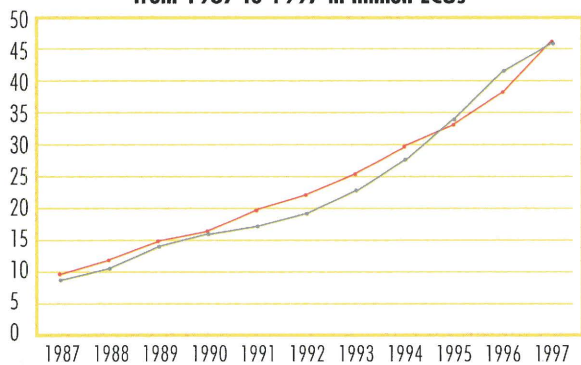
The EU has expressed its understanding of the view that economic development leads to improved human rights and accepts that cultural differences must be borne in mind. It maintains, however, that individual rights and fundamental freedoms cannot be ignored.

Since the ministerial talks held in Karlsruhe in 1994, both the EU and ASEAN have agreed that while they may never completely see eye to eye on this issue, their discussions on human rights should be held in a constructive, non-confrontational manner.

One point of discord has been how to deal with ASEAN's new members. The EU has made it clear that while new members of the group have the right to participate in the EU-ASEAN ministerial dialogue, membership of the EC-ASEAN Cooperation Agreement is conditional on the signature of a special "Protocol of Accession" allowing these countries to join the Agreement. Both Brunei Darussalam and Vietnam which joined the EC-ASEAN Cooperation Agreement after it was concluded in 1980 have signed such special Protocols.

Trade Relations

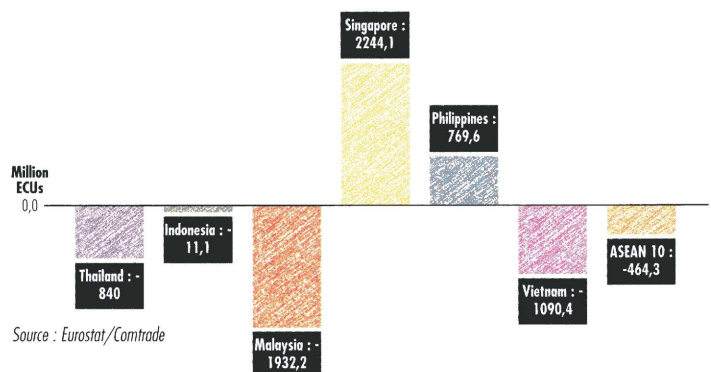
EU Imports and Exports to ASEAN Countries from 1987 to 1997 in million ECUs



Source : Eurostat/Comtrade

Trade lies at the heart of the EU-ASEAN relationship. Both regions are committed to free trade and are making efforts to further liberalise global commerce - in both goods and services and even on the Internet - within the World Trade Organisation.

EU Trade Balance with Main ASEAN Countries in 1997 (All figures are in million ECUs)



Source : Eurostat/Comtrade

In recent years, ASEAN countries have made an unprecedented effort to liberalise their economies. As part of the WTO commitment to open markets, they have reduced tariffs, reinforced protection of intellectual property rights and started liberalising services.

At the same time, the creation of the frontier-free single European market has provided exceptional opportunities to exporters from Asia.

ASEAN countries have traditionally based their development strategy on export-led growth. ASEAN exports to all parts of the world have recorded dramatic rises in the last few years but, significantly, the region has been particularly successful in developing its trade with the EU.

Analysts predict that given their devalued currencies, many ASEAN countries are in an even stronger position to increase their sales in Europe. This still needs to be proved, however.

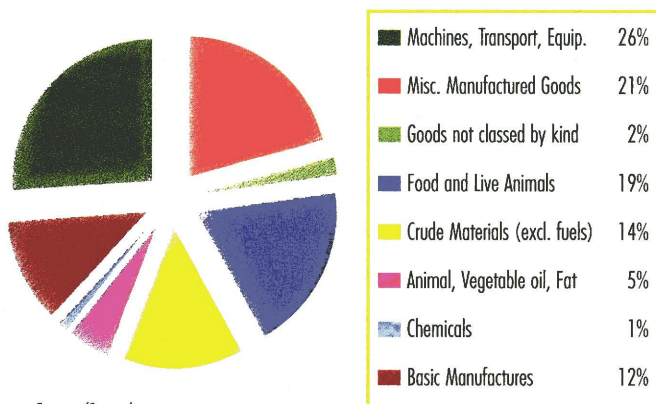
In any case, the EU today is ASEAN's second largest export market and the third largest trading partner after Japan and the United States.

The increase in trade over the last ten years has been spectacular:

EU exports to ASEAN were estimated at 45.7 billion ECU in 1997, up from 8.9 billion ECU in 1987. EU imports from ASEAN were valued at 10 billion ECU in 1987. They have now rocketed to 46 billion ECU.

These figures are a powerful indication of the two regions' growing commercial involvement with each other. The EU and ASEAN have become truly inter-dependent regions.

EU Import from ASEAN countries by Major Sectors in 1988

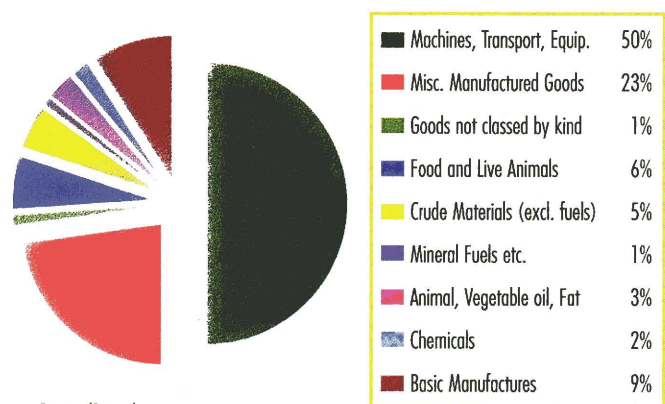


Source : Eurostat/Comtrade

For many European exporters, ASEAN is both an important market in itself and a gateway to the rest of the Asia Pacific region.

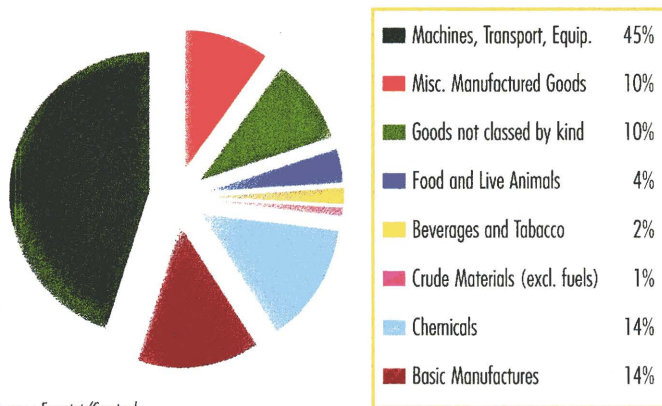
Changes in the structure of EU-ASEAN trade is a reflection of ASEAN's transformation from a commodity-producing region to one of the world's most dynamic and successful suppliers of manufactured goods.

EU Import from ASEAN countries by Major Sectors in 1997



Source : Eurostat/Comtrade

EU Export from ASEAN countries by Major Sectors in 1988

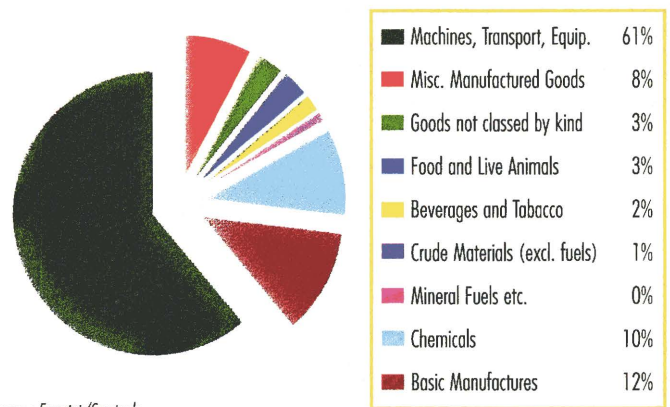


Source : Eurostat/Comtrade

In 1980, about two-thirds of ASEAN's exports consisted of raw materials such as wood, manioc, rubber and palm oil. Today, in contrast, manufactures, including electronic equipment, textiles and clothing account for more than three-quarters of the total. Trade in services between the two regions has also grown in recent years.

From the start, EU exports to ASEAN have included a higher percentage of manufactured products. But, reflecting ASEAN's changing economic fortunes, there has been a dramatic shift in ASEAN's exports to the EU from primary products to manufactures.

EU Export from ASEAN countries by Major Sectors in 1997



Source : Eurostat/Comtrade

Many ASEAN countries have benefited from the EU's Generalised System of Preferences (GSP). Under this system, imports from developing countries enter the EU market either duty-free or at a preferential or reduced rate of duty.

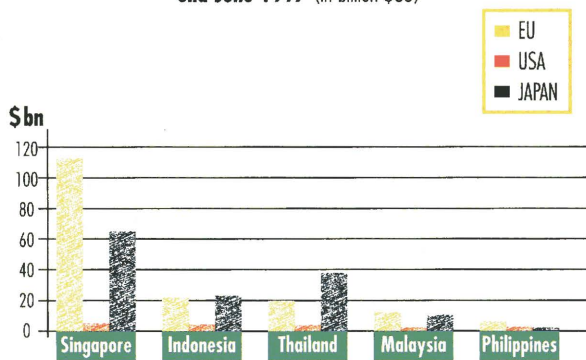
The GSP has clearly contributed to the growth in ASEAN's exports to the EU. But, it is essentially a development tool meant to promote exports to Europe from the world's poorer nations. As a result, some ASEAN countries no longer qualify for GSP benefits on some products and Singapore has been excluded from the system.

D Investment Relations

European companies are major investors in the ASEAN economies. Despite the region's current financial difficulties, Europe's leading firms are determined to stay on in ASEAN - and in some cases to expand their presence there.

The reasons for this are simple: most European firms continue to believe that ASEAN's economic fundamentals remain good: the region's able and skilled work force is an asset, as are ASEAN's access to raw materials, its strong work ethic and its commitment to free and open trade.

International Bank Lending in Main South-East Asian Countries - end June 1997 (in billion \$US)



Source : BIS

European companies are determined to seize the opportunity to upgrade their business in the region. Their enhanced involvement in ASEAN is not only a sign of their confidence in ASEAN's future. It also means that the region will be able to acquire European technology and expertise.

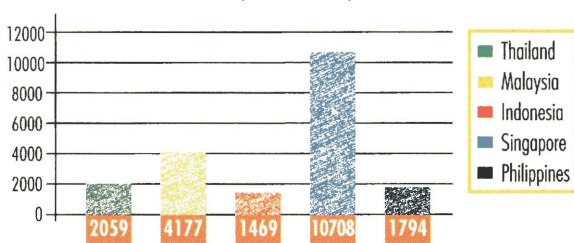
A recent study by the United Nations Conference on Trade and Development (UNCTAD) underlined that European companies' overall confidence in South-East Asia as a destination for foreign direct investment remains unshaken, despite the financial crisis. An estimated 34 percent of European firms said they are actively seeking to increase their operations in Asia.

Over the last few years, there has also been an increase in ASEAN investments in Europe. Analysts predict that this trend is set to slow down in view of the problems facing many ASEAN economies.

Figures for EU investments in ASEAN are changing daily. But, at last count, the EU's Foreign Direct Investment in five ASEAN countries stood at 20 billion ECU. During the period 1992-96 alone a total of almost 7 billion ECU worth of European investments were made in the region.

European banks, meanwhile, have lent about 170 billion dollars to ASEAN countries to date, including loans made to Indonesia and Thailand, two of the countries worst hit by the financial crisis.

EU Foreign Direct Investment Stock in ASEAN Countries in 1995 (in million ECUs)



While investment decisions are the domain of private businesses, discussions between EU and ASEAN officials are helpful in ensuring a free flow of investments from one region to another. EU and ASEAN business leaders met for an "Industrialists' Round Table" in Jakarta in December 1997

to explore reciprocal investment opportunities, legal and administrative impediments to investments and ways of promoting joint ventures.

Economic and Industrial Cooperation

E As we have seen, trade and investment links between the EU and ASEAN are expanding rapidly. To give them a further boost, both sides are working on a number of projects designed to enhance trade and economic flows between the two regions.

Essentially, this means efforts to improve relations between the two regions' business leaders, to create a climate of confidence in the world of business and to make the regulatory and legal environment more favourable to trade and investment.

Significantly, EU-ASEAN economic cooperation programmes are based on a region-to-region partnership. This is one of the many ways in which the EU is working to bolster ASEAN's efforts at regional integration. Since the early 1970s to this day, this economic aspect of EU-ASEAN cooperation amounts to about 150 million ECU. The European Investment Bank meanwhile has made loans worth 590 million ECU during the same period.

The regional approach is not always an easy one to follow because regional projects are difficult to prepare and require the full agreement and commitment of several ASEAN countries before they can be implemented.

But, they also have their advantages. They allow economies of scale so that in terms of resources, regional projects can secure more money than schemes meant for one country alone. Regional programme also ensure that in areas like intellectual property protection and quality standards, for example, ASEAN countries can adopt the same norms, making it easier for entrepreneurs to deal with all countries in the same manner. Many European business leaders are interested in working with the ASEAN region as a whole and favour the EU's regional approach.



Development Cooperation

Over the years, economic, trade and investment ties between the EU and ASEAN have captured the spotlight. But, while this is no longer a donor-recipient relationship, the EU is second only to Japan in its development cooperation activities in ASEAN. EU countries and the European Commission spent just under one billion dollars in development aid in ASEAN in 1996.

The focus of EU aid efforts in the region is on poverty alleviation schemes, rural development projects, social programmes and projects aimed at improving the environment.

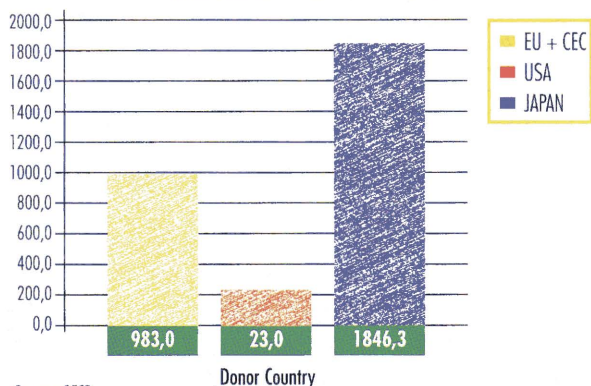
Funds are channelled either directly through governments but also increasingly through non-governmental organisations which are well-placed to reach the poorest and most marginalised segments of societies.

The emphasis is on national projects rather than region-wide ones. This

is mainly because development conditions within ASEAN vary from country to country, and the aid programmes have to be able to respond to the specific needs of each nation.

The Philippines and Vietnam are the largest recipient of EU development aid in South-East Asia. Most of the EU's actions in these countries focus on poverty alleviation, including projects to improve health and education facilities.

DAC Members Overseas Development Assistance to ASEAN Countries in 1996 (in million \$US)



Source : OECD

Indonesia has received EU aid to fight forest fires. But, there is also a long-term EU commitment to ensuring the sustainable management and conservation of Indonesia's forestry resources. Vietnam has also received EU money for the economic and social integration of refugees who have chosen to make a life for themselves in their country of origin. In addition, the EU's humanitarian office (ECHO) is also active in ASEAN, coming to the region's help in times of emergencies, including national disasters.

EU development programmes in ASEAN also aim at combating drug abuse and helping governments to run AIDS prevention projects

People-to-People



The emphasis on business and trade does not mean that the human face of EU-ASEAN links has been ignored. Improving the lives of the people of ASEAN is the key goal of the EU.

Over the years, the two sides have put in place a number of projects aimed at building bridges between EU and ASEAN students, academic institutions and young business leaders. The objective of such exercises is simple: to promote goodwill and understanding between people in both regions, not just governments and businesses.

Projects like the ASEAN-EU University Network and the Junior EU-ASEAN Managers Exchange Programme (JEM) are meant to bring the young people in both regions closer together.



ASEAN-EU University Meeting

CHAPTER FIVE

ASEAN's Other International Activities

ASEAN is involved in a number of initiatives aimed at reinforcing regional cooperation and integration. Here is a quick glance at some of these plans:

A

AFTA: The ASEAN Free Trade Area

The creation of AFTA coincides with the emergence on the international scene of many regional groups which are working to promote tariff-free trade within their blocs.

AFTA first saw the light of day in January 1992 after ASEAN countries signalled their determination to promote intra-regional trade by signing the Framework Agreement on Enhancing ASEAN Economic Cooperation in Singapore.

AFTA's main aim is to ensure the liberalisation of trade within the region, thereby increasing ASEAN's competitive edge as a production base for foreign and local firms. This involves schemes to reduce intra-regional tariffs and secondly, plans to eliminate non-tariff barriers that act as obstacles to trade among ASEAN members. Customs cooperation actions aimed at facilitating the flow of goods within ASEAN are a third element of the plan.

The central mechanism for the implementation of AFTA is the Common Effective Preferential Tariff (CEPT) which requires ASEAN members to reduce their import tariffs within specific time frames for goods circulating within ASEAN. The aim is to complete AFTA by 2003, with Vietnam, Burma/Myanmar and Laos being given additional time to reduce tariffs. The vast majority of traded products are expected to receive full AFTA treatment by the year 2000. The construction of the ASEAN Investment Areas and work on the liberalisation of trade in services is continuing.

ASEAN Finance Ministers have also endorsed the use of ASEAN currencies for the settlement of trade within the group. The aim, however, is not to create a single ASEAN currency.

AFTA is not a common market or even a customs union. The idea is to promote free trade within the region, not foster on economic integration.

Asia Europe Meeting

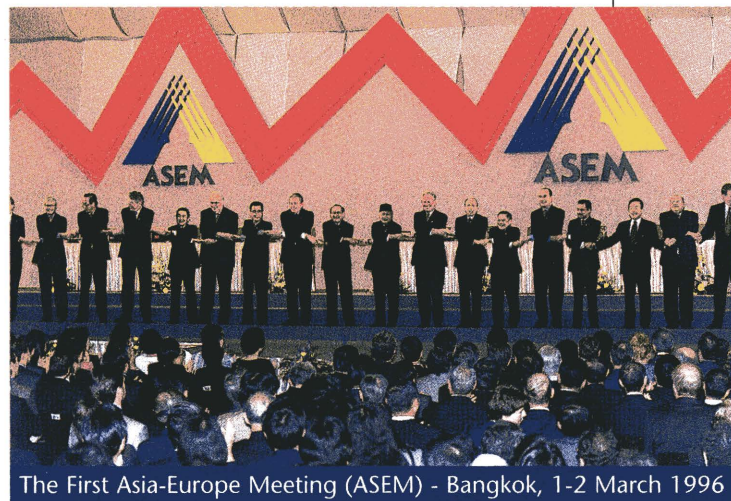
B The first Asia Europe Meeting (ASEM) or summit, bringing together the fifteen EU nations and seven ASEAN countries (excluding Burma/Myanmar and Laos), Japan, China and South Korea was held in Bangkok in March 1996.

The proposal to convene ASEM initially came from Singapore Prime Minister Goh Chok Tong who pointed out that there was a "missing link" in relations between the world's three most powerful economic powers: while the EU and the US had strong relations and so did Asia and America, there was no similarly powerful connection between Europe and Asia.

European governments, eager to reinforce their relations with Asia, seized the Singapore Premier's suggestions with enthusiasm. ASEM 1 held in Bangkok was generally viewed as a big success, allowing the 15 EU Member States and 10 Asian countries to set out an ambitious agenda for political, economic and trade cooperation.

ASEM 2, held in London in early April 1998 was equally significant. It highlighted the EU's continuing interest in Asia despite the financial crisis, with EU leaders emphasising that they were not Asia's fairweather friends. The meeting mapped out a strategy for closer EU-Asia ties, including EU offers of help to ease some aspects of the financial crisis. An ASEM trust fund was created within the World Bank to fund technical assistance for reforming Asia's financial sector.

ASEM 3 will be held in Seoul in South Korea in the year 2000. ASEM is an informal arrangement and is set to remain as such. Over the next few months, ASEM participants will work to reinforce their business and investment links and take initiatives to promote the welfare of children, cooperate in combating illicit drugs and strengthen cooperation on environmental issues. Trade facilitation is on the agenda but ASEM is not seeking to foster free trade between its participants.



The First Asia-Europe Meeting (ASEM) - Bangkok, 1-2 March 1996

The EU has always insisted that its close relations with ASEAN are the cornerstone of ASEM and that ASEM - for all its achievements and successes - cannot replace the long-standing EU-ASEAN dialogue.



APEC : Asia Pacific Economic Cooperation

APEC was set up in 1989 in response to the growing interdependence among the economies of the Asia Pacific region. Its main goal is to enhance the growth and development of the Asia Pacific region by facilitating trade in goods, services, capital and technology. Its members include: Australia, Brunei, Canada, Chile, China, Hongkong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, the United States and Vietnam.

Together, these countries account for 56 percent of the world's annual output and 46 percent of the global merchandise trade.

APEC's participating nations are committed to achieving the goal of free and open trade and investment by 2010. Its developing members have been given an additional 10 year grace period and have to eliminate obstacles to free trade by 2020.



Asian Technology

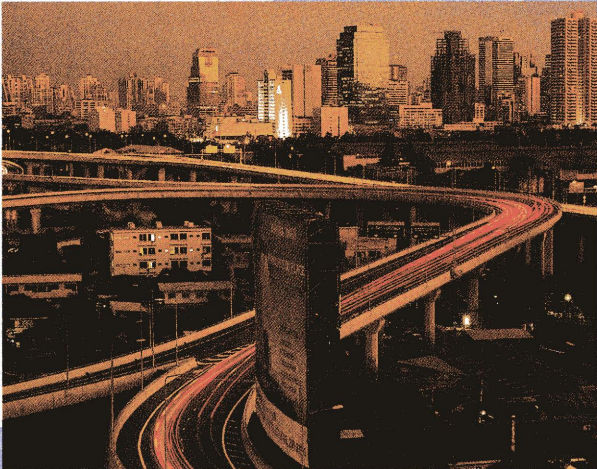
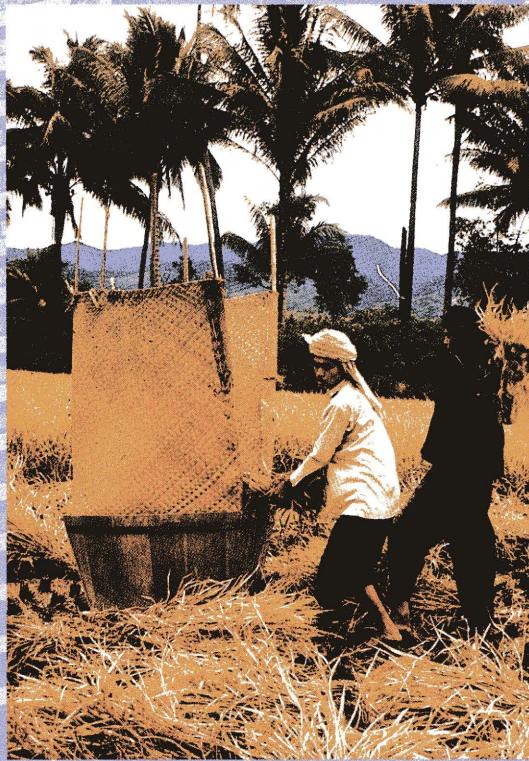
Senior officials from each member economy form the apex of the APEC structure. Reporting to this group are ten working groups, representing such areas as transport, fisheries, energy, telecommunications, trade and investment and technology transfer.



ASEAN And The WTO

The six founder members of ASEAN countries are active members of the World Trade Organisation and engaged in worldwide efforts to liberalise trade in goods and services.

Singapore played host to the first ministerial meeting of the WTO in December 1996. The EU and ASEAN cooperate closely within the WTO and worked together to clinch the agreement on liberalising financial services.



Part Two of this publication takes a more detailed look at the different facets of the EU-ASEAN partnership. As we shall see, cooperation between the two regions is already impressive - and expanding. Both the EU and ASEAN are vibrant economic powers which are committed to free trade. The private sector in both regions plays a key role and the people of both regions are interested in learning more about each other. The EU is also working to provide development assistance to ASEAN countries where poverty alleviation is still a major challenge.

CHAPTER ONE **The Different Faces of Economic And Industrial Regional Cooperation**

From the start, the EU chose to establish a region-to region partnership with ASEAN. This means that EU-ASEAN economic and industrial cooperation programmes cover more than one ASEAN country. Their main aim is to enhance trade and investment flows between the EU and ASEAN through three key areas of action:

- Creating a Climate of Confidence in the World of Business
- Making the Legal and Regulatory Environment Favourable to Trade
- Encouraging Cross-Investment and Business Contacts

• Creating a Climate of Confidence In The World of Business

Business thrives in a predictable and stable environment where government decision-making procedures are transparent and the legal and banking systems are sound. Good people-to-people relations are also important. Over the years, therefore, the EU has undertaken a number of projects aimed at encouraging mutual understanding between Europe and ASEAN. Efforts to strengthen ASEAN's scientific and technological potential has also been a priority.

**Encouraging
Mutual
Understanding
Between
Europe and
Asean :
A People
to People
Approach**

A There are a number of EU-ASEAN projects whose main focus is on building bridges between the EU and ASEAN - in the fields of business and education.

a) The Junior EU-Asean Managers Exchange Programme (JEM)

Since November 1996, a number of European and ASEAN companies have been playing host to junior executives from each others' region. This ground-breaking exchange programme is designed to encourage young professionals from both regions to learn from each other and to share their businesses and cultural experiences.

JEM is open to participation by European and ASEAN companies of all sizes and business interests which are either already present in the other region or interested in doing so. The EU, acting through the JEM Programme contributes, logistically and financially, to the exchange of the young professionals. Participating countries can either host or send managers via JEM, or even do both.



JEM Group - Brussels

For young managers, the benefits of such an exchange programme are invaluable: It's a priceless opportunity to deepen their understanding of the other region, especially its business practices, commercial and marketing know-how and technology. Each young professional who is selected for the programme has to work in the host company for 6 months, preceded by a preparatory professional and cultural training period which lasts 1 month.



Manuel Marin with JEM Students

As Manuel Marin, Vice-President of the European Commission said at the official launch of JEM on 23 January, 1997: *"These*

young managers will one day be part of the elite in their countries. And they will know Europe well. The JEM Programme will enable them to set up joint ventures and business deals with Europe because they will know the people, the companies and the way business is done. It is a universal and natural tendency to prefer doing business with people you know instead of with strangers. This is what this programme is about: creating networks".

JEM is proving to be a success. Since November 1996, sixty two young Asian executives have been welcomed by EU companies operating in sectors such as commerce, distribution, transport, electronic systems, energy and environment. 10 young European professionals have been working in Asian companies since January 1998. The first pilot phase of the programme runs out at the end of 1998. But, given its good results, the Commission has decided to proceed to a second phase of the programme, thereby also maximising the project's political and economic impact.

Further information can be obtained from:

JUNIOR EU-ASEAN MANAGERS EXCHANGE PROGRAMME (JEM)

JEM Programme Office Europe

Rue du Trône 51 • B-1050 Brussels (Belgium)

TEL 32-2-551-07-70 • FAX 32-2-512-01-97 / 512-16-51

E-mail info@jemasean.org • Website <http://www.jemasean.org/>

b) Asean - EC Management Centre

Created in 1994, the ASEAN-EC Management Centre is located in Brunei Darussalam. Its main goal is to teach the best business management practices to executives from both regions. Over the years, the AEMC has organised conferences, seminars and other events, covering a wide range of economic and managerial issues which are of relevance to senior private/public sector managers and management training institutions.



These events have brought together more than 100 speakers from 15 different countries and attracted over 2,000 participants. The AEMC also encourages applied research on ASEAN/EU managerial topics by awarding research fellowships and case study grants. Phase II of the programme

is due to start in the very near future.

Further information can be obtained from:

in Asia : ASEAN-EC Management Centre

Sinpang 347, Jalan Pasar Baru • Gadong 3186 Brunei Darussalam

Tel : 673 (2) 445 851/2 • Fax : 673 (2) 445 856

E-mail : aemc@pso.brunet.bn

<http://www.brunet.bn/php/aemc/aemc.htm.bn>

in Europe : LOVANIAM INTERNATIONAL MANAGEMENT CENTER

Chaussée de Bruxelles, 135 • B - 1310 La Hulpe
Tel : 32-2-655 59 83 • Fax : 32-2-655 58 36
E-mail : lovanium@pophost.eunet.be

c) Asean - EU University Network

With a budget of some 7 million ECU, the ASEAN-EU University Network is geared to meeting the following major goals:

- Facilitating partnerships between ASEAN and European Universities
- fostering the implementation of joint projects between ASEAN and EU universities (or consortium of universities), in order to initiate co-ordinated and sustainable relationships between both regions' higher education institutions.

The inter-university relationships are established through regular meetings of rectors, higher education specialists and government experts. The focus is on subjects of mutual interest to both ASEAN and EU academic and economic circles, with a view to encouraging cross-regional research/training projects. The aim of the University-Partnership projects is to contribute to the extension of inter-regional university networking and to encourage cooperation in higher education between ASEAN and the EU. Another important aspect is to encourage partnerships between universities and industries at cross regional levels.

Further information can be obtained from:

ASEAN UNIVERSITY NETWORK (AUN)

Office of the AUN Secretariat • Ministry of University Affairs Bldg,
328, Si Ayutthaya Road, Ratchathewi, Bangkok 10400 • Thailand
Tel : (66-2) 246 1106-14#311 • Fax : (66-2) 245 8289
E-mail : auns@mua.go.th

**Strengthening
The Scientific
and
Technological
Potential**

B Exchanging scientific and technological know-how is a key priority for EU-ASEAN relations. The two regions are cooperating with each other in a number of areas including energy, transport, information technology and environmental cooperation. These are designed to:

- facilitate cooperation between private operators in the EU and ASEAN
- contribute to economic development
- raise the level of scientific competence in ASEAN
- make ASEAN players aware of European technological options

The following key projects have been put in place to achieve these objectives:

a) Energy

«Due to the demographic and economic growth taking place in Asia, the demand for energy could double between now and 2005»

European Commission's Communication on a
Europe-Asia Cooperation Strategy for Energy

South-East Asia has emerged as one of the world's most economically dynamic regions. Naturally, this has also triggered a surge in energy demand, much beyond the region's energy production capacity. The imbalance between energy supply and demand is causing severe economic and social difficulties in many countries of the region.

Energy supply issues can rarely be tackled on a local level. ASEAN's dramatic growth in energy demand requires an efficient exploitation of the world's energy reserves. It also requires cooperation in often costly research programmes designed to ensure a more efficient exploitation of existing sources and the development of new sources of energy.

From a European perspective, the changes underway in South-East Asia, both in terms of the economy in general and the energy sector in particular, raise significant concerns. In July 1996, the Commission prepared a Communication to the Council entitled «Europe-Asia Cooperation Strategy in the field of Energy» which underlines the crucial importance of the energy sector in Europe's relations with Asia. The paper highlighted three objectives in EU-Asia energy cooperation:

- to strengthen the security of energy supply in Asia and in Europe,
- to participate in Asian energy markets,
- to protect the global environment.

As pointed out, the strategy addresses the issues of security of supply and environmental protection. More specifically, it emphasises the need to promote the on-going dialogue on energy issues between the EU and Asian authorities and also involve the private sectors of both regions in the exchange of know-how and technologies. The aim is simple: to improve energy supply through the optimum development of resources and to limit demand through consumption management.

Let's take a closer look at some of the energy cooperation programmes:

- The Asean - EC Energy Management and Training Centre

Objective:	To strengthen cooperation among the ASEAN member countries and between ASEAN and the EU in the field of energy and to facilitate dialogues on mutually interesting and beneficial energy issues between the two regions.
Total Contribution:	ECU 4. 25 million
EC Contribution:	ECU 4 million
Duration:	1988-1999
Contact:	P.O. Box, Jakarta 12016, Indonesia. TEL: (62-21) 722 6011 • FAX: (62-21) 739 8279
Website:	http://www.aseansec.org/economic/aeemtrc/htm

The ASEAN-EC Energy Management Training and Research Centre (AEEMTRC) was set up eight years ago in Jakarta. It is largely funded by the budget of the EC and supported by the Government of Indonesia. In 1997, the ASEAN Secretariat also began to provide funds for the Centre's activities. AEEMTRC has been given the task of enhancing energy cooperation between ASEAN countries, and strengthening the political, economic and commercial links between the EU and ASEAN in the field of energy. This is achieved in five different ways:

- By providing a comprehensive assessment of the energy situation in ASEAN with a view to developing a regional framework for national energy programmes and policies. Furthermore, AEEMTRC has also been charged to formulate policy recommendations for stronger regional cooperation and to identify cooperative and mutually rewarding activities. These tasks are primarily done through the development of regional energy outlooks called «ASEAN 2010» and «ASEAN 2020».
- By managing a regional energy database and providing an annual statistical analysis called «ASEAN Energy Review»
- By publishing regional energy information brochures
- By conducting information and training programmes for energy users on almost any conceivable topic.
- By ensuring that the private sector is included both in the conception and implementation of its suggestions and recommendations.

AEEMTRC is successfully building a reputation as a regional centre for providing independent, authoritative and reliable energy information, and as a strategic body to support energy policy formulation in ASEAN countries. As a testament to this success, the 1996 ASEAN Energy Ministers decided during their annual meeting to transform AEEMTRC into an ASEAN Energy Centre, with effect from January 1999.

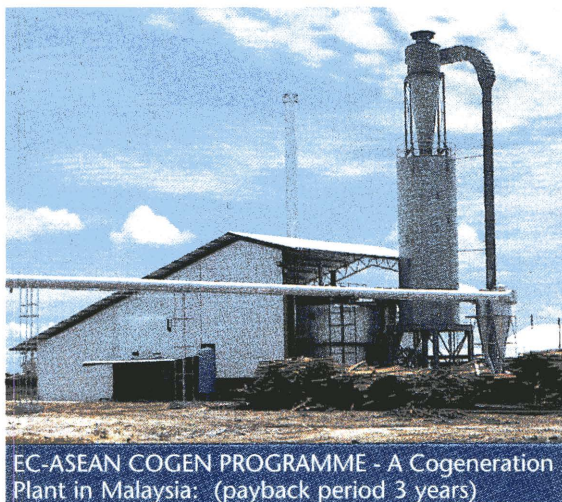
The Centre's mission will be to ensure that over the long-term, ASEAN countries develop their energy policies in a manner which is in harmony with economic growth and environmental sustainability. Close contacts and cooperation with the EU will be maintained, but the Centre will also keep its doors open for collaboration with other dialogue partners of ASEAN.

- Cogeneration Project : Cogen - a Power Partnership

Objective:	To accelerate the implementation of proven cogeneration technologies within the industrial sectors of the ASEAN region through partnerships between European and ASEAN companies.
Executing Agency:	Asian Institute of Technology, Bangkok
Total Contribution:	ECU 250 million
EC Contribution:	ECU 25 million
Duration:	February 1995 - March 1999
Contact:	COGEN Programme Secretariat, AIT, Bangkok TEL: (66-2) 524 5399 • FAX: (66-2) 524 5396
Website:	http://www.cogen.ait.ac.th

ASEAN countries, striving to limit their dependence on oil, are encouraging the production of energy based on the use of agricultural

remains and forest waste. The COGEN programme, co-ordinated by the Asian Institute of Technology (AIT) in Bangkok, fits in perfectly with this ambition: its main task is to accelerate the application of proven technologies which focus on generating heat and/or power from wood and agro-industrial residues. The goal is to do this by encouraging partnerships between European and ASEAN companies.



The production of heat and power (cogeneration) utilising agro and wood residues as the fuel source has been the focus of COGEN Programme up to now. In fact, the efficient combustion of agro and wood-waste to produce electricity and process heat addresses the issues of energy efficiency and waste disposal at the same time. The project allows European and ASEAN companies to combine their market access, know-how and technology to participate in such projects.

In a short period of time, the COGEN Programme has established references of European and Euro-ASEAN equipment in selected industries. It is now involved in the promotion of reference projects, thus forging closer links between European suppliers and ASEAN customers and partners. The Programme is already involved in the implementation of over ECU 87 million worth of clean and efficient energy equipment in ASEAN.

The COGEN Programme is developing its position as a key player in the market of proven clean and efficient energy conversion technologies in South-East Asia. Over the next few years, the programme will:

- maintain the themes of energy efficiency, environmental awareness and business promotion;
- focus on the implementation of proven cogeneration technologies within the industrial sectors of the ASEAN region;
- maintain the successful combination of a business information service and full scale demonstration projects;
- promote business worth around ECU 220 million.

b) Transport

- Maritime Transport

The cost of transport, both in terms of time and money, is a determining factor in establishing the final price of the commodities transported from Europe to ASEAN and vice versa. The efficiency of the EU-ASEAN maritime transport is, therefore, a significant parameter for the development of trade between the two regions.

Since the early 1990s the Commission has been examining ways to stimulate Maritime Transport cooperation with ASEAN. An EC-ASEAN Port Management HRD project (1 MECU) and two maritime transport workshops have succeeded in establishing good EU-ASEAN relations in the sector.



Further EC-ASEAN initiatives in the sector could focus on Electronic Data Interchange and Intermodal Transport and contribute to the optimal and cost-effective use of existing transport infrastructure. This would reduce transport costs and allow the generation of added value.

- **Civil Aviation**

Estimates put the potential market for large civil transport aircraft in the Asia Pacific region at about 4,000 planes over the next 20 years. However, as shown by a number of recent air disasters, aviation safety remains a source of major concern.

In early 1998, the Commission gave a 0,7 MECU grant to the European Association of Aerospace Industries in order to undertake, together with the European Joint Aviation Authorities, a survey screening of the South-East Asian region. The purpose of the exercise is to help identify possible EU-ASEAN projects aiming at the establishment of cooperation towards a Regional Aviation Safety Oversight Programme and improved Air Traffic Management. It will also promote further EU-ASEAN industrial cooperation, product support, airline management, airport activities and pilot training.

c) Information and Communication Technology

The EU has contributed 25 million ECU to the Europe-Asia Cooperation Programme in Information and Communication Technology (IT&C). This five year programme, approved in March 1998, will become operational by the end of 1998 and aims at the full utilisation of the technological potential and legislative experience of European IT&C in sectors which are of particular relevance to the Asian societies and countries.

The hope is that the programme will improve the position of the European IT&C sector in Asia, strengthen the technical and technological link between Europe and Asia, and increase the integration of more countries in South and South-East Asia into the global information society.

d) Environmental Cooperation

The overall objective of EU-ASEAN environmental cooperation is to help protect ASEAN's natural resources and reduce and prevent pollution. The rapid urbanisation and industrialisation of ASEAN are increasingly shifting the region's environmental priorities from the rural environment to urban and industry related issues.



The Philippines

With a long experience in environmental management and nearly 60 percent of the world patents in environmental technology, Europe is well equipped to work with ASEAN on environmental issues, especially in the urban environment and in reducing and preventing pollution.

The EU strategy is based on three pillars:

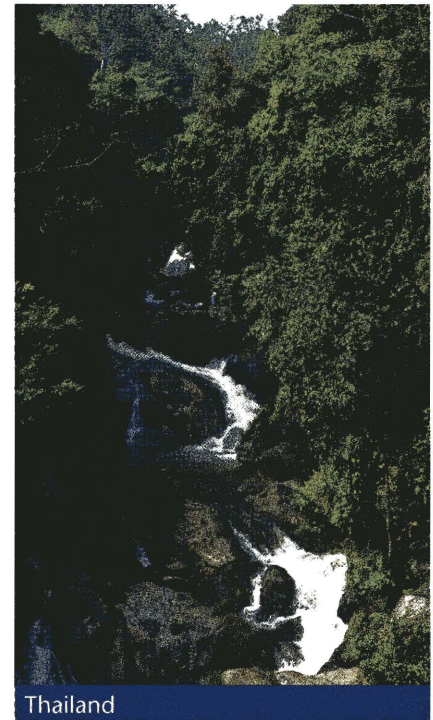
- to increase environment management capacity in Asia, encouraging more efficient and sustainable use of natural resources,
- to facilitate market-based approaches to environmental protection, with emphasis on pollution reduction and prevention and the protection of natural resources,
- and to develop, promote and support EU-ASEAN environmental research and development networks.

Two key projects deserve a special mention:

- ASEAN-EU Biodiversity Centre

The ASEAN region is possibly the world's richest region in biodiversity with an unusual high proportion of endemic species in its tropical forests, wetlands and coastal seas. The risk of rapid depletion of these resources is causing global concern.

As a concrete step taken towards the conservation of these resources, the ASEAN-EU Biodiversity Centre was inaugurated on 22 April 1998 in the Philippines. The cost of the project is put at 10.3 million ECU for 5-years, with 8.5 million ECU being provided through an EU grant and the rest coming from the ASEAN countries.



Thailand

The aim of the project is to enhance the capacity of ASEAN countries to promote biodiversity conservation through cooperation in a comprehensive regional context. ASEAN countries will be encouraged to develop improved technical and institutional approaches to biodiversity conservation. The project will simultaneously contribute to the long-term well-being of the communities and people throughout the ASEAN region which are directly, or indirectly dependent on natural habitats.

- Regional Institute of Environmental Technology (RIET) and Asia-EcoBest
In 1993, RIET was jointly established by the EU and Singapore in order to promote the transfer and exchange of environmental know-how and services between the EU and Asia. In its first four years of operation, RIET has established itself as a centre and a source of expertise with strong institutional links across Asia.

One of RIET's main functions therefore is to collect and disseminate information about available technologies, legislation, markets, opportunities for business and other data needed for environmental protection projects. Since 1994, on-line access to RIET has made this information instantly available.

Phase I of RIET has now come to an end and Phase 2 (1997 - 2002) foresees the conversion of RIET into a «RIET Foundation» which would enable the environmental operators from Europe and Asia (public and private) to become stakeholders in RIET and assure the institution's permanence and independence.

The equipping of the RIET Foundation with the five year Asia-EcoBest project (1997-2002) will promote European environment best practices and continue to ensure business facilitation. As stated in the Commission's Communication «*Europe-Asia Cooperation Strategy in the Field of Environment*», «*Asia-EcoBest will promote European Environment best practices and business. (...) The management structure adopted by Asia EcoBest will ensure a tuning of its operations to the needs of the environment sector*»

Further information can be obtained from:

Regional Institute of Environmental Technology Asia Eco Best
3, Science Park Drive • PSB Annex (Science Park)
#04-08 Singapore 118223
Tel : 65-777 26 85 • Fax : 65-773 28 00 • E-mail : riet@pacific.net.sg

- **Making the Legal and Regulatory Environment Favourable to Trade and Investment**

Business leaders and traders can operate most effectively and efficiently in a regulatory environment which encourages rather than discourages trade and investment. This means the minimum of bureaucratic obstacles to trade and efforts to ensure that non-tariff barriers are gradually reduced.

The EU is working for the increased integration of the ASEAN countries into the world market through the World Trade Organisation. By stepping up both its bilateral and regional dialogue with its ASEAN Partners, the EU is striving to create adequate legislative and regulatory structures which will provide investors and economic operators with the guarantees they need to operate freely and also define clear ground rules for interaction between companies and states.

- EC - ASEAN Standards, Quality and Conformity Assessment Programme (ISQAP II)

Business and trade can only thrive if both the EU and ASEAN have compatible structures, standards and conformity assessment procedures. As such, economic cooperation to promote standards, certification and quality management is one of the cornerstones of EU-ASEAN cooperation. ISQAP II, with an estimated cost of 20 million ECU, aims to encourage enhanced EU-ASEAN economic cooperation through training, exchange of information and experience in the areas of industrial standards and quality assurance. The EU's contribution amounts to 16.3 million ECU.

The project's regional component is designed to support the development of regional ASEAN-wide quality structures and policies. ISQAP will be operational in the near future.

- EC-ASEAN Intellectual Property Programme (ECAP II)

The protection of intellectual property rights has acquired a key importance in economic relations and international trade in recent years. The effective protection of intellectual property rights is essential to encourage investment and technology transfers - and to avoid trade friction.

Launched in 1993 and completed in June 1997 with a budget of 6,5 million ECU, ECAP was designed to promote regional cooperation in the field of patents and trademarks and to assist ASEAN countries in joining international conventions in this field.

The assistance covered the development in ASEAN countries of patent offices, personnel training programmes and the collection of data for common patent and trademark publications produced on CD-ROM.

The programme has been extremely successful in encouraging ASEAN countries to establish regional systems for the protection of Intellectual Property Rights.

A new programme which will apply to a broader scope of issues than the previous ECAP has been approved and will cover such areas as copyrights, geographical indications and industrial designs. ECAP II, with a total EU contribution of 5 million ECU will be operational in the near future.

• Encouraging Cross Investment and Business Contacts

Business leaders sometimes need just a little helping hand to further upgrade their contacts with a region, explore new investment and trading opportunities or to develop new joint ventures. The following measures aim to achieve such closer business-to-business tie-ups:

A EU-ASEAN Partenariat

Promoting business partnerships between EU and ASEAN companies - especially small and medium-sized ones - is a key priority for the EU.

The first EU-ASEAN Partenariat took place in Singapore on 11 November 1997. It was supported by a 1 million ECU grant by the European Commission within the framework of the Asia-Invest programme (see details later) and was organised by the Productivity and Standards Board of Singapore with the participation of Chambers of Commerce throughout ASEAN and the EU.



The event brought together about 250 European and 300 ASEAN small and medium-sized companies. During the two days of the meeting, these companies held more than 2,000 business meetings to explore cooperation opportunities. New EU-ASEAN business contacts and networks were also forged.

B Industrialists Roundtable

EU-ASEAN industrial cooperation is essential in view of the challenges posed by globalisation. The first EU-ASEAN Industrialists Roundtable was held in Jakarta on 18 and 19 December 1997.

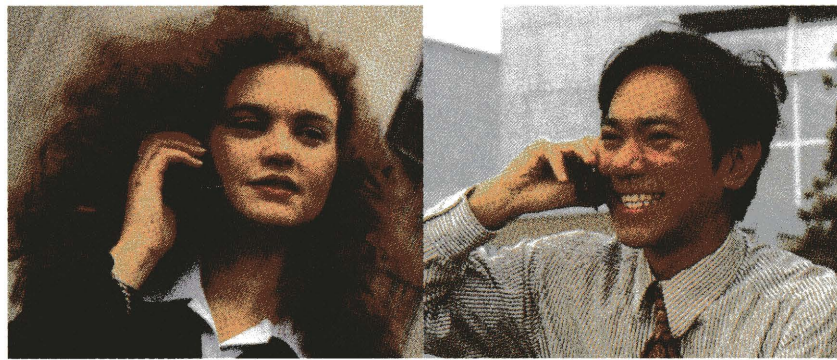
The aim of this business-led forum is to bring together 20 to 25 business leaders from the EU and ASEAN to discuss ways of promoting further business and trade relations between the two regions. The concept of EU-ASEAN IRTs has proved its



Commissioner Martin Bangemann addressing the EU-ASEAN Industrialists Round Table.

value, especially at a time of economic difficulties in ASEAN. These Roundtables are a reflection of EU-ASEAN solidarity and provide a forum for the exchange of information and experience between business representatives from both regions.

The IRT in Jakarta also issued recommendations on how to improve the economic and regulatory environment in ASEAN with the aim of speeding up growth and developing joint ventures and investments. The next EU-ASEAN IRT is scheduled to be held in Brussels or in Malaysia (currently in charge of ASEAN economic matters) in September 1998.



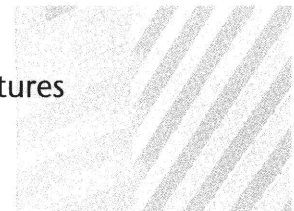
The European Community Investment Partner Scheme (Ecip) and ASEAN

C The European Community Investment Partners (ECIP) scheme has been operating since 1988 to promote the setting up of joint ventures in Asia, Latin America and the Mediterranean region. ASEAN countries are important users and beneficiaries.

ECIP is, in fact, a simple, quick and efficient financial instrument which offers five financing facilities to support the successive stages of joint venture investment creation in developing nations. The focus is on encouraging cooperation between small and medium-sized companies, but large companies can also benefit if their projects are particularly interesting for the development of the host countries.

ECIP offers four facilities to support the launch of joint ventures:

- identification of projects and partners
- preparation for the creation of specific joint ventures
- financing of capital requirements
- human resource development.



The table below outlines the financing facilities offered by ECIP in further detail:

Financial Facilities Offered by the European Community Investment Partner (ECIP) Scheme

	Facility 1	Facility 2	Facility 3	Facility 4	Facility 1B
Type of Operation	Identification of potential JV projects and partners	Feasibility studies of pilot projects	JV capital requirements	Training, technical or management assistance	Preparation of a privatisation or a Build Operate Transfer or a Build Operate Own scheme in private infrastructure or environmental services
Beneficiaries	Chambers of commerce, professional associations and ECIP FI representing a group of companies (Individual companies may not benefit from this scheme)	Companies wishing to undertake a JV, a privatisation or a private infrastructure project.	JVs established in the Alameda countries with locals by EU partners, or local companies which operate under a licensing and technical assistance agreement with an EU company		Alameda governments and public agencies
Type of ECIP Finance	Grant of up to 50% of the eligible costs	Interest-free advance of up to 50% of the eligible costs	Equity holding or equity loans or up to 20% of the incremental capital of the JV	Interest-free loan for large companies, or a grant for SMEs of up to 50% of the eligible costs	Grant of up to 100% of the eligible costs
Maximum Amount Available	ECU 100 000	ECU 250 000 (within this amount 50% of pre-feasibility travel costs may be financed up to ECU 10 000)	ECU 1 000 000	ECU 250 000	ECU 200 000
		The maximum total support per project is ECU 1 000 000			
Access	The beneficiary may apply either to the EC or through an ECIP FI	Application must be made through an ECIP Financial Institution			The beneficiary may apply either directly to the EC or through an ECIP FI
How to Apply	<ol style="list-style-type: none"> 1. Use of the ECIP Application forms is required 2. Obtain application form and latest list of FI from EC or an ECIP FI 3. Complete the application form including all required annexes and explanations 4. For facilities 1 and 1B apply directly to the Commission or through an ECIP FI 5. For facilities 2, 3 and 4 it is required that all applications are channelled through an ECIP FI. The EC will not deal with facilities 2, 3 or 4 applications which are not channelled through an ECIP FI 				

ECIP is managed from Brussels by the European Commission in a decentralised way through its network of ECIP financial institutions (FI) and investment promotion agencies. The involvement of these institutions in the joint ventures right from the start reinforces the ongoing commercial and financial viability of the projects.

Since the inception of ECIP in 1988, the EC has approved 429 applications for ECIP in financing projects in ASEAN countries, for a total amount of 42, 9 million ECU. ASEAN countries account for 18,4 % of approved actions and for 16,9% of the approved financing. Details per country of ASEAN are shown below:

**ECIP - Requests approved by the Steering Committee
Cumulative 1988 - 1998 by Facility for the ASEAN Countries**

Country	Facility 1		Facility 2		Facility 3		Facility 4		TOTALS	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
Vietnam	28	1.5	60	5.9	2	0.6	2	0.2	92	8.2
Malaysia	25	1.2	44	4.0	1	0.5	2	0.08	72	5.7
Indonesia	28	1.6	75	8.6	5	1.7	4	0.6	112	12.6
Philippines	26	1.3	24	3.1	5	2.2	1	0.2	56	6.9
Thailand	20	0.8	39	3.8	7	2.5	1	0.05	67	7.1
Singapore	9	0.5	20	1.7	1	0.3	-	0	30	2.5
Brunei	-	0	-	0	-	0	-	0	-	0
Laos	-	0	-	0	-	0	-	0	-	0
Totals	136	7.0	262	27.0	21	7.8	10	1.2	429	43.0

All figures are in million ECU and have been rounded up to the first decimal

Further information can be obtained from:

EUROPEAN COMMISSION

Directorate-General for External Relations

DG IB/D.3 • B-1049 (Belgium) • FAX 32-2-299 02 04

**EUROPEAN
BUSINESS
INFORMATION
CENTRES
(EBICs)
in ASEAN**

D The EU has supported the setting up of European Business Information Centres (EBICs) in ASEAN (and other Asian countries) in collaboration with Chambers of Commerce from EU Member States as part of its drive to bolster EU-ASEAN business link-ups. Such centres now exist in Malaysia, Thailand, the Philippines and will soon open in Indonesia and Vietnam.

EBICs work to:

- increase the capacity of EU and Asian small and medium-sized companies to engage in mutually beneficial linkages
- raise the profile of the EU among the business community in target countries
- complement the public and private sector agencies of the EU Member States

To achieve these objectives, EBICs have developed a wide range of activities that are summed up below

EBIC's Activities

- The **Provision of Information** to European and Asian SMEs : Such information concerns regulatory aspects of doing business, and includes in particular the sale of hard-copy, CD-ROM, on-line publications from the Official Publications Office of the European Communities.
- The **Provision of Access to Instruments** Facilitating Business to Business Cooperation : Such instruments include the Bureau de Rapprochement des Entreprises (BRE), BC-Net and Asia-Invest.
- The **Organisation** of Seminars, Workshops and other Public Events.
- The **Recruitment** of Asian SMEs for Europartenariat/Asia-Partenariat and Interprise Events on issues relating to doing business with Europe.
- The **Provision of information** on Asia-Invest and other programmes and projects supported by the European Community.

For further information EBIC addresses are available in Annex.

E Asia-Invest

Bigger European and ASEAN companies need little outside help in their drive for global markets. But, small and medium-sized firms in both regions often lack the capacity or the resources to explore new markets and identify potential new partners.

The Asia-Invest programme, started in October 1997, for a five year period with a budget of 45 million ECU and is designed to help small and medium-sized companies from Europe and Asia to do business with each other. It is the first such project of its kind.

Asia-Invest works to complement national initiatives taken by the different EU member states. It helps SMEs to form partnerships and provides them with the information necessary to make decisions on possible joint ventures, markets and investments.

Below are further details of the programme:

What is Asia-Invest ?

Business Contacts

Asia-Invest links European Business Information Centres in Asia with Euro-Info-Centres, chambers of commerce and trade and industrial associations in Europe, helping companies to get in touch with one another. The Asia-Invest Newsletter and the Asia-Invest Internet Home Page keep companies informed of new initiatives and opportunities.

Financial Support

Asia-Invest provides grants (in most cases up to a maximum of 50% of costs) for :

- Initiatives, supported by the Business Priming Fund, aimed at preparing groups of companies for new markets and partnerships. These can involve :
 - Locating and evaluating market opportunities in Asia for European companies (market place monitoring)
 - Training for European and Asian companies (« language and business culture familiarisation »)
 - Upgrading of skills for groups of companies from less developed Asian countries (« technical assistance ») to help them prepare for partnership
- Business meetings which bring together small and medium-sized companies for the first time. Asia-Interprise meetings target specific industrial sectors, while Asia-Partenariats are large, multi-sector events involving up to 1000 companies.

Investment Intelligence

Through the «Asia-Invest Facility», research is carried out by country and by sector into investment trends and conditions in Asia, and the findings are disseminated in Europe. European companies are thus able to make informed decisions on potential investments and partnerships in Asia, particularly in relation to the less developed countries for which reliable information and guidance may be hard to come by.

The Programme covers the Member States of the European Union, South and South-East Asia and China. The Asian participant countries are: Afghanistan, Bangladesh, Bhutan, Brunei, Cambodia, China, India, Indonesia, Laos, Malaysia, the Maldives, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

Further information can be obtained from:

ASIA-INVEST SECRETARIAT

Rue Archimède 17 • B-1000 Brussels (Belgium)

TEL 32-2-282-17-50 • FAX 32-2-282-17-60

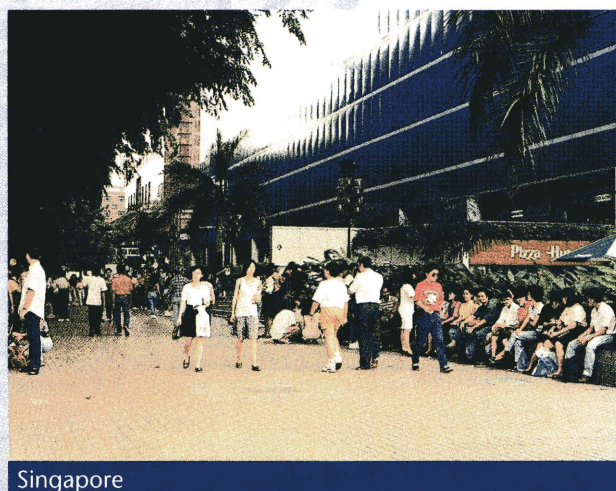
E-mail asia.invest@asia-invest.com

Website <http://europa.eu.int/en/comm/dg1b/asia-invest.html>

F Asia-Urbs

The Asia Urbs Programme is a new framework for decentralised cooperation between Europe and Asia initiated by the European Commission. With a total budget of 26.2 millions ECU for a 3-year period, Asia-Urbs' aims are as follows:

- To set up partnerships between local governments from the EU member states and South and South-East Asian countries;
- to improve the quality of life of the citizens in their cities and towns in assisting local governments to strengthen their efforts towards sound urban management;
- to encourage local level cooperation involving the public and private sectors;
- to promote long-term cooperation initiatives;
- to facilitate the exchange of experiences and know-how among local administrators and other actors of urban and community development in their areas of competence;
- to promote the socio-economic development of Asian cities and towns;
- to ensure the visibility and the dissemination of the Programme's achievements.



Singapore

Eligible countries in South-East Asia are: Brunei Darrusalam, Cambodia, Indonesia, Lao's PDR, Malaysia, Philippines, Singapore, Thailand, Vietnam.

Further information can be obtained from:

ASIA URBS SECRETARIAT

Avenue Marie José, 44b • B-1200 Brussels - Belgium

TEL 32 - 2 - 732 87 94 • FAX 32 - 2 - 732 87 07

E-mail secretariat@asia-urbs.com

Website <http://www.asia-urbs.com>

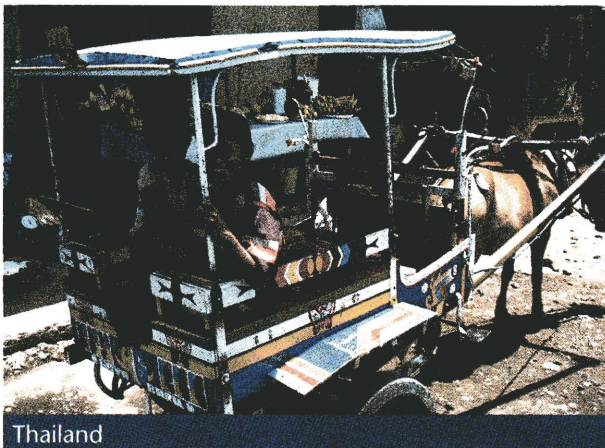
CHAPTER TWO

Development Cooperation

ASEAN's emergence as one of the world's most vibrant economic powerhouses has changed global perceptions of the region. Over the last twenty years, ASEAN nations have acted as powerful magnets for international investors and traders. Gradually, this influx of financial flows has led to a reduction in poverty levels, raising living standards across the region.

Despite the economic successes of many ASEAN countries, however, the region contains enormous economic disparities. Significantly, there are still pockets of poverty even within ASEAN's more dynamic economies.

Countries such as Singapore and Brunei have already reached development levels comparable to those attained by the world's industrial countries. Others like Malaysia, Thailand, the Philippines and Indonesia, although shaken by the region's economic woes, are expected shortly to continue their confident drive towards increased economic prosperity. ASEAN's newest members - Vietnam, Burma/Myanmar, Laos and soon Cambodia are still poor. The three latter countries fall into the United Nations' least developed countries category.



Thailand

• Focus on the Poorest

Given this diversity, EU development aid and cooperation programmes in the ASEAN region which are managed by the European Commission are geared to meet the needs of the region's less-developed nations. They also focus on the poorest segments of the population in the newly industrialised countries.

Since the 1970s, the Commission has spent just over 1 billion ECU in development cooperation activities in the ASEAN Member States. An additional 236 million ECU has been spent on humanitarian assistance, including help for the settlement of refugees, the promotion of democracy and human rights and to fight natural disasters. The programmes are geared to the specific needs of each ASEAN nation.

The Commission's focus is on poverty alleviation and raising living standards in ASEAN, particularly in the rural areas. In recent years, environmental issues and projects aimed at improving the condition of women have also received top priority. Developing primary education, protecting children and promoting health facilities are other key goals. The Commission is also providing aid to combat drug abuse and control the spread of AIDS. In these and other sectors, the Commission works both directly with ASEAN governments or with non-governmental organisations. Work has also started on programmes to help reduce the social impact of the financial crisis facing ASEAN.

Details of EU cooperation and development programmes in ASEAN which are managed by the European Commission follow :

The Philippines



As one of the poorer ASEAN countries, the Philippines has attracted the largest share of EC development assistance. EC aid to the Philippines began in 1976. Up to 1980, EC funding commitments for the Philippines came to about 2.1 million ECU per year. From 1986 onwards, following the new government's commitment to democracy and development, EC aid shot up dramatically: between 1991 and 1995, EC development spending increased to an average of 37.7 million ECU per year.

The EU, including contributions made by the Commission and EU Member States, represents the second largest source of official development assistance to the country.

Around three quarters of EC funding is earmarked for projects which have a poverty alleviation focus. The amount of funds set aside for social development projects (including education, health, population and community development) has increased significantly over the last few years. The EC has provided assistance through both government and non-governmental channels to help improve incomes and living conditions in the country's poorest regions.

Rural Development, A Top Priority

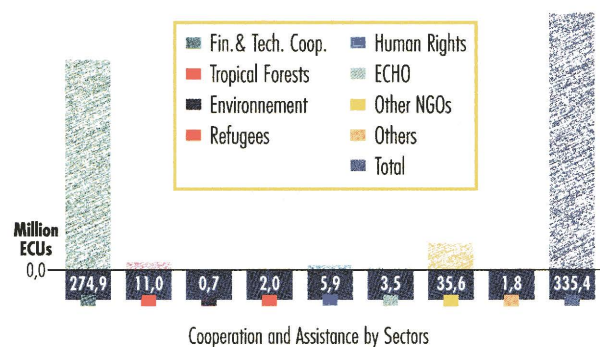
The Commission's priority is to promote integrated rural development in the Philippines' least developed and most remote areas. The programmes are community-centred and often address a broad spectrum of development issues within a particular geographical area.

The Central Cordillera Agricultural Programme deserves special mention. As part of the project, 88 village pharmacies have been established in rural areas to sell the most commonly-requested medicines at very affordable prices. The programme started in 1996 and will run until 2003. The EC is contributing 23 million ECU.

Although economic cooperation is gradually becoming more dominant in EC-Philippines relations, EC development cooperation to the country is also set to continue. Development programmes will increasingly focus on the Philippines' agenda for social reform and concentrate on the country's most poverty-stricken regions.

The Government of the Philippines and the European Commission have agreed to conduct a global review of EC development cooperation projects in the Philippines in order to draw up a new development strategy for the country. The EC has stressed the importance of local "ownership" or responsibility for development projects, as part of a drive to break away from the traditional relationship between aid donors and receivers.

EC Development Cooperation and Humanitarian Assistance to Philippines
Total Commitments by Sector (1976 - 1997) in million ECUs



Source : European Commission

In addition, to projects being funded directly with the Philippines government, the EC is working with non-governmental organisations in fields such as human rights and democracy, children's welfare issues and the environment.

Indonesia

The largest and most-populated country of South-East Asia, Indonesia is the second main recipient of EC development cooperation assistance. EC aid programmes in Indonesia began in 1976 with a focus on rural development. In the early years, EC aid to Indonesia was around 17 million ECU a year. By 1991, the yearly average of EU contributions had risen to 30 million ECU a year.

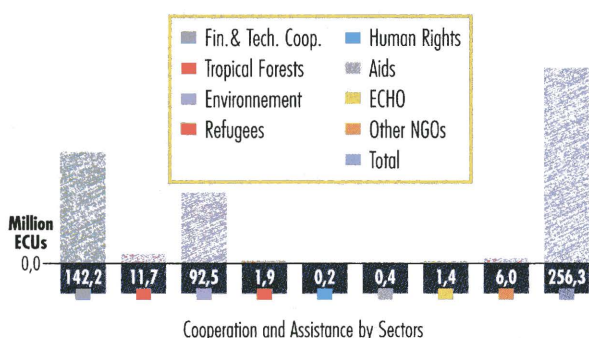


The emphasis of earlier EC cooperation projects in Indonesia was on a range of rural development projects in line with priorities drawn up by the Indonesian government. Major projects were funded in the field of irrigation and water management. Others included rural credit schemes, agricultural development and fisheries.

Preserving Forests

In 1992, the focus of EC development assistance shifted towards forestry, a sector which is of crucial importance to Indonesia both from the environmental and economic points of view. The emphasis is on the conservation and sustainable management of Indonesia's tropical forests. Together, the EU Member States and the European Commission provide nearly 35 % of all external assistance to Indonesia's forest sector.

EC Development Cooperation and Humanitarian Assistance to Indonesia
Total Commitments by Sector (1976 - 1997) in million ECUs



Source : European Commission

Forest fires in Indonesia in 1997 prompted the European Union to pledge a total amount of ECU 326 000 in aid to the Indonesian Government in October 1997. The commitment followed a decision by the European Commission and EU Member States to undertake a co-ordinated European approach in order to help Indonesia to fight the forest fires.

The special aid pledge is in addition to a number of other projects that the EC has already funded in South Sumatra and East Kalimantan which also focus on helping Indonesia to combat forest fires.

For instance, fire fighting equipment has been made directly available to fire crews in the country. Local volunteers and others are being trained in basic fire-fighting techniques and expatriate fire management experts have been sent to help the efforts of local teams and to offer guidance and advice.

The Gunung Leuser Park Development Programme in Sumatra merits special mention as one of the main forest conservation and sustainable development programmes in Indonesia.

The project started in 1997 and will run for a seven year period. In addition to improving conservation activities, the project also aims to develop alternative sources of income outside the park for the local population. The EC contribution has been put at 33 million ECU.

Helping in Coping with the Financial Crisis

Helping Indonesia to cope with its present financial and economic difficulties is now a top priority for the European Commission and for EU governments. While the entire country is affected, there is concern that the financial turmoil will exacerbate the problems facing the country's poor people.

Key elements for a new EC-Indonesia development strategy are as follows:

- Development assistance should increase, in particular to alleviate poverty and to address regional income disparities.
- Environmental issues in general will play an even greater role, with special emphasis, apart from the forestry sector, on coastal resources management and urban environment.
- Wherever possible and appropriate, decentralised cooperation should be promoted and qualified NGOs involved in development cooperation.

In the field of human rights, the EC is working on promoting positive measures with appropriate government bodies and NGOs to strengthen the civil society.

Vietnam



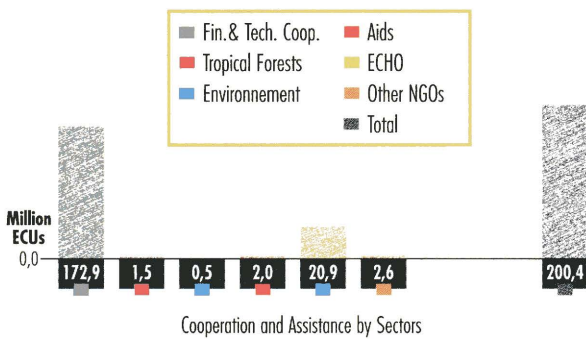
EC relations with Vietnam have developed considerably in recent years, both on the political front and as regards economic and development cooperation. During the first five years of Vietnam's internal economic reform programme known as "Doi Moi" which was launched in 1986, EC assistance to Vietnam averaged 700,000 ECU a year. With the normalisation of diplomatic relations in 1990, however, cooperation activities really took off. As both sides worked to cement closer relations,

EC aid to Vietnam climbed up to 30 million ECU a year during the period 1991-95. The adoption of a cooperation strategy for the years 1996-2000 further raised the EC commitment to support progress. Financial assistance is now above 50 million ECU per annum.

Boosting textile trade

One milestone was set by the conclusion of an EC-Vietnam textile agreement in 1992. This accord has since been adjusted twice. The latest agreement, signed on September 10, 1998 provides for the abolition of quotas on 22 categories of Vietnamese textile and clothing products. In the 29 categories where quotas remain in place, they will be increased to allow Vietnam to export almost a third more. Vietnam, in return, has promised to reduce tariffs on a range of textiles and clothes exported by the EU.

EC Development Cooperation and Humanitarian Assistance to Vietnam
Total Commitments by Sector (1976 - 1997) in million ECUs



Source : European Commission

Helping refugees to go home

The EC International Programme (ECIP) for the Reintegration of Returnees - worth 60 million ECU - was launched in 1991 to support and facilitate the reintegration of refugees in Vietnam. By the time the programme came to an end in November 1994 almost 70.000 people had returned voluntarily to Vietnam.

Enhancing relations through a Cooperation Agreement

The signature of the first-ever EC -Vietnam Cooperation Framework Agreement in 1995 marked the

beginning of another significant phase in the development of the relationship. The main objective of future cooperation between the two sides is to help consolidate Vietnam's transition towards a free market economy, while also promoting sustained growth and development. One element of the partnership therefore is to encourage the application of cautious, stable and predictable macro-economic policies. The EC-Vietnam dialogue is also being expanded to cover other areas such as trade and investment and good governance.

A new overall strategy

Over the period 1996-2000, both sides have agreed to concentrate their assistance and aid efforts on:

- social sectors affected by the transition to a market economy - mainly health and human resource development.
- environmental protection programmes in the forestry, marine resources and industrial sectors.
- development of the least favoured rural and mountainous areas of the country.
- creation of favourable conditions for technology cross-flows in sectors central to the development of Vietnam's industrial and economic infrastructure.
- continuation of EC support to on-going economic and administrative reforms.
- support for the integration of Vietnam into regional and global economic frameworks.

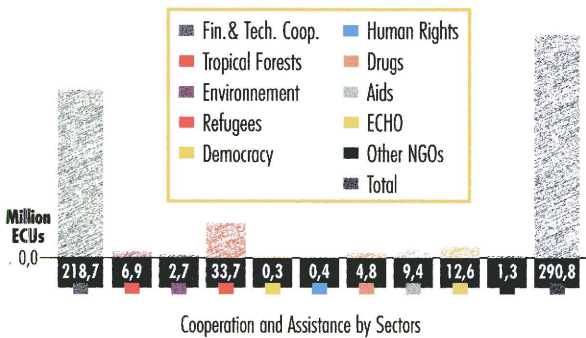
● Thailand

Bilateral cooperation between Thailand and the EC began in 1977 with the approval of the first EC-funded rural development project. EC aid commitments to Thailand gradually increased to about 23 million ECU a year in the mid-1980s. Poverty alleviation programmes and rural development projects received top attention.

As of 1990, both Thailand and the EC decided that given economic progress in the country, the priority in EU-Thailand activities should switch to economic cooperation, rather than development aid. Cooperation efforts continued to focus, however, on specific problems related to combating drug abuse and improving the environment.



EC Development Cooperation and Humanitarian Assistance to Thailand
Total Commitments by Sector (1976 - 1997) in million ECU



Source : European Commission

Helping Thailand's «New Poor»

Thailand's current financial troubles have provoked the closure of factories across the region, leading to massive lay-offs. As a result, many unemployed workers are returning to their villages of origin, looking for ways to survive the crisis. Their arrival in turn is making life even more difficult for the rural poor.

The situation in urban areas is equally difficult, not only for the poorest segments of society but also for the lower middle classes. This is essentially due to the absence of an efficient and functioning social network and a sudden shortage of essential goods, including medical supplies.

In an effort to ease the social fall-out from the crisis, the Commission is already helping the Thai government to reform the health sector. The Commission is also planning to use resources left over from its rural development schemes to set up a consolidated credit fund with the Bank for Agriculture and Agricultural Cooperatives which, in turn, will operate a micro-credit scheme in the poor North-East region of Thailand. The availability of such micro-credits will allow small farmers to obtain funds to buy basic inputs needed to keep up their agricultural activities.

The EC is working with EU governments, international donors and bodies (UN Agencies, World Bank, Asian Development Bank etc.) to identify possible aid schemes to help workers who have lost their jobs because of the crisis, for instance in the textile and construction sectors.

The protection of the coastal environment and promotion of the fisheries sector have also been identified as priority areas. Some 60% of Thailand's population lives in coastal areas, making these regions important for employment generating sectors like fisheries and tourism. The Tarutao Marine National Park is an EC-funded project which has been established to address the specific environmental problems of coastal regions.

The EC will also continue to support some 120,000 refugees in Thailand, mainly from ethnic minorities from Burma on the Thai/Burmese border.

Cambodia



Before 1991, given Cambodia's political situation, the EC only provided direct aid to refugees outside the country, including Thailand. Assistance given directly to the country was very limited, consisting exclusively of humanitarian aid from the European Commission which was delivered through NGOs.

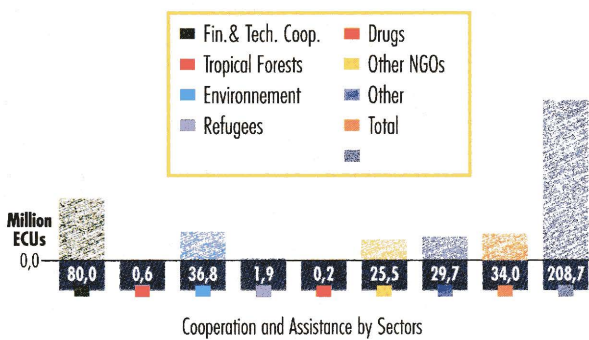
Relations were restored in 1992, following the signing of the Peace Agreement. Today, Cambodia's development needs are enormous: years of war have left

the country with a seriously degraded infrastructure and communications, greatly reduced agricultural production, a large number of displaced persons and anti-personnel land mines spread throughout many areas.

As a result, between 1992 and 1997, the Community's strategy towards Cambodia followed two broad lines of action:

- the strengthening of political ties
- the rehabilitation, reconstruction and development of the country.

EC Development Cooperation and Humanitarian Assistance to Cambodia
Total Commitments by Sector (1976 - 1997) in million ECUs



Source : European Commission

Since 1992, the Community has invested nearly 200 million ECU in a number of priority sectors, including assistance to refugees, rural development, primary education, institutional support, de-mining and the promotion of human rights. Humanitarian assistance has continued and funds have also been earmarked for the organisation of elections in Cambodia.

Helping Organise the Elections

Political turmoil in the country in 1997, prompted the EU to suspend plans for the ratification of an EC-Cambodia Cooperation Agreement. The Agreement

will be ratified if the political situation in Cambodia returns to normal after the elections.

The EU has appointed Glenys Kinnock, a member of the European Parliament, as its special envoy to monitor the Cambodian elections, ensuring that they are held in a fair and free manner. The EU has made it clear that its future strategy towards the country will depend on whether it believes that the elections have been conducted properly.

Support for de-mining efforts and programmes run by non-governmental organisations will remain constant, however. In 1997, as well as earmarking 10 million ECU for the electoral process - with the focus on drawing up electoral registers - the EU continued to support the «Cambodia Mine Action Centre» which is responsible for removing land-mines in the country. Aid is also being provided for the rehabilitation of the professional education sector represented by the chantiers écoles in Siem Reap.

Laos

Direct EC cooperation activities began in 1986 when the EU first established diplomatic relations with LAO PDR. In line with the EU's focus on poverty alleviation and food security, EC-funded projects have focused mainly on rural development and irrigation activities.

Refugee reintegration and resettlement projects have also featured significantly as part of EC's support to the Comprehensive Plan of Action (CPA)



Traditional houses

which is co-ordinated by the UN High Commission for Refugees.

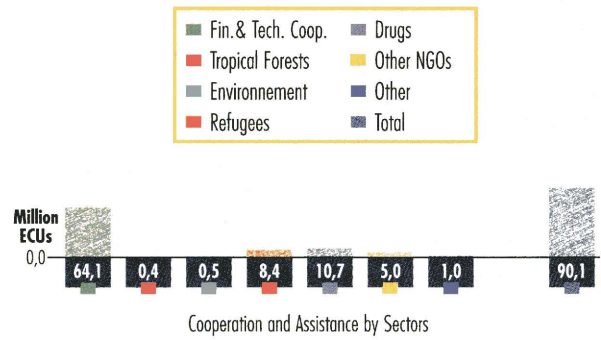
Meanwhile, emergency assistance, through ECHO, the EU's Humanitarian Office has helped people affected by regular flooding in the southern provinces along the Mekong river.

Recently, as part of its development cooperation budget, the EC funded a 9.5 million ECU forest conservation and rural development project in the remote Phong Sali province in the north of Laos. The project is designed to protect the country's forest areas from the effects of increasing shifting cultivation. This requires an approach that integrates both agricultural land management and the diversification of crop production through rural development and forestry conservation measures.

The health situation in Lao PDR is dramatic: life expectancy stands at 51 years, the infant mortality rate is 113 per 1000 and an estimated 80% of the population suffers from malaria in one form or another. The EC, acting through non-governmental organisations, is helping to strengthen and complement the existing health care system, with particular emphasis on the training of medical staff.

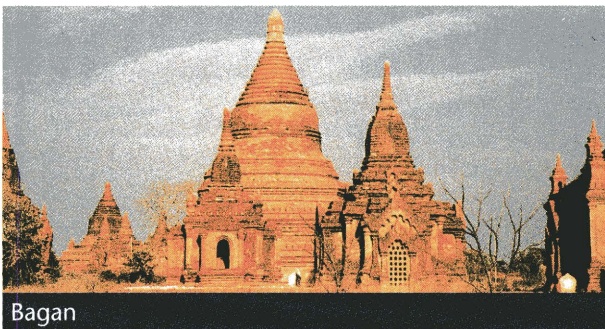
In 1997, the EC launched a major sub-regional malaria control project covering Lao PDR, Cambodia and Vietnam. The focus is on training and technical assistance for local medical staff. Funds are also being channelled into a project aimed at the prevention of sexually transmitted diseases in Laos. This 1.2 million ECU project aims at strengthening the capacity of the Ministry of Health to run a national STD care and prevention programme.

EC Development Cooperation and Humanitarian Assistance to Laos
Total Commitments by Sector (1976 - 1997) in million ECUs



Source : European Commission

Burma / Myanmar



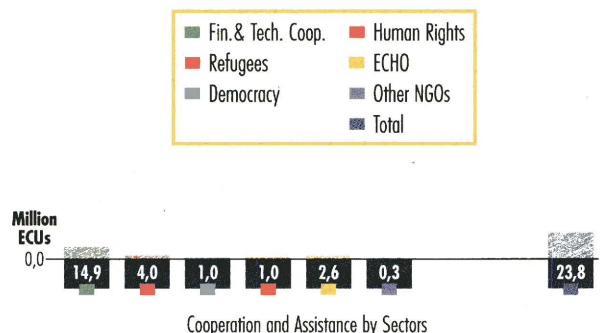
Bagan

EC cooperation with Myanmar began in 1979 with the approval of a 3 million ECU for a Palm Oil development project. Though EC assistance has never reached high levels, there were a number of sporadic aid programmes for the country until the mid-1980s. Their focus was on rural development.

Following the 1988 military

coup, the EC has suspended its bilateral development cooperation for all but strictly humanitarian actions. At the moment, EC funding is limited to a UNHCR programme for the repatriation and reintegration of Rohingya refugees who have sought asylum in Bangladesh. The EC is also funding two small projects run by non-governmental organisations in Burma's ethnic minority areas.

EC Development Cooperation and Humanitarian Assistance to Burma/Myanmar
Total Commitments by Sector (1976 - 1997) in million ECUs



Source : European Commission

• Cooperating to combat drug abuse

The EU is committed to fighting the harmful effects on development efforts of the illicit traffic in drugs and psychotropic substances. Working with countries which are equally committed to this goal, the European Commission gives priority to demand and supply reduction through activities in the fields of education and information, especially of young people, precursors control of chemical materials and the combat against money laundering.

In 1992 the ASEAN Joint Cooperation Committee decided to create a sub-committee on narcotics. Its guidelines have still to be established but clearly the EU and ASEAN are working together to fight drug abuse. ASEAN has also strengthened its own regional co-operation in this area, having adopted a Plan on Drug Abuse and Control in October 1994.

• Helping to Prevent AIDS

The fight against AIDS is an important EU goal in many of its development programmes in developing countries. The EU's main aim is to reduce the transmission of HIV/AIDS and the spread of other diseases which can be transmitted sexually or perinatally. This is done by reinforcing health and social services in countries so that they can cope with the demands of AIDS victims and to help governments to assess the impact of the disease on different economic sectors and social groups.

In the ASEAN region, total EC spending on Aids programmes since the early 70s amount to some 20,3 million ECU. The European Commission is providing long-term technical assistance to a HIV/AIDS Prevention and Care Programme drawn up by the governments of Laos and Cambodia. The EC assistance is also directed at increasing coordination between national and international non-governmental organisations as well as between NGOs and national governments.

Health services for Sexually Transmitted Diseases are poorly developed in both Laos and Cambodia. Information about preventing STDs, HIV and AIDS needs to be disseminated in a more comprehensive fashion. In both countries therefore the EC assistance focuses on:

- strengthening the capacity and capability of the Ministries of Health to manage the national STD Care and Prevention Programmes,
- reinforcing the public health care system in order to provide access to acceptable, effective and affordable STD services,
- establishment of support mechanisms necessary for the planning, monitoring and supervision of National STD Care and Prevention Programmes.

CONCLUSION

Looking to the Future

Almost three decades after they established their first contacts, the EU and ASEAN are working together to reinforce and expand their bilateral relationship. Trade and business is still at the centre of EU-ASEAN relations. But, over the years, both groupings have also forged a strong political and economic partnership. In addition, for many ASEAN countries, the EU is still an important source of development assistance and humanitarian aid.

The two regions are also increasingly cooperating with each other in multilateral fora, including the United Nations, on issues like promoting peace and stability. In the World Trade Organisation, they share a common interest in the maintenance of an open and fair multilateral trading system.

This is of course no surprise. As powerful global players, both the EU and ASEAN have a strong political and economic interest in building closer bilateral and multilateral ties. The EU, as the world's largest trading bloc, has long recognised the need to develop strong contacts with its third country partners. With ASEAN, closer ties have been forged both through ministerial meetings and through the Cooperation Agreement which was signed in 1980.

ASEAN's emergence as one of the world's most dynamic economic regions has been one of the most striking features of the last two decades. Although the financial crisis of 1997 has cast a pall over ASEAN's hitherto rapid economic development, the structural reforms being undertaken by ASEAN governments - along with the region's good economic fundamentals - are a guarantee that ASEAN will soon recover its economic vitality.

As we have seen, European business leaders have retained their faith in ASEAN and despite the crisis are expanding their presence in the region. EU Member States and the European Commission are providing some of the technical assistance needed to help restructure the financial sector of the crisis-hit ASEAN countries. Funds have also been earmarked for projects designed to deal with the social fall-out from the crisis.

The EU-ASEAN partnership - whether in the political, economic or development fields - looks set to grow even more powerful. Both sides agreed at a meeting in Singapore in February 1997 to inject a "new dynamic" into the relationship. Work on turning this goal into reality has begun.

What of the future? On the eve of the new millennium, both the EU and ASEAN face new challenges. The EU will soon have its single currency, the euro, and is engaged in an ambitious process of internal reform and eastward enlargement. Inevitably, these changes will enhance the EU's international standing, making it an even more significant and sought-after global player.

For ASEAN countries, the key challenge is to rebuild the region's crisis-hit economies. With Cambodia set to join the grouping in a near future, ASEAN will soon cover all of South-East Asia, thereby realising a goal set by its founding fathers. Despite the economic and financial difficulties, ASEAN's political clout remains unchanged: the EU, for one, continues to see relations with ASEAN as the cornerstone of its growing dialogue with Asian countries. Significantly, ASEAN remains committed to its goals of regional integration.

Predicting the future is always a hazardous enterprise. But, given the strength and vibrant history of EU-ASEAN relations, one can safely forecast that the EU-ASEAN partnership will grow even more dynamic with time. The two groups have learned to discuss their differences with equanimity and in a spirit of dialogue. They also share the same aspirations of peace and stability, both for their regions and for the wider world. Mixed together, these ingredients are a formula for a very successful EU-ASEAN partnership in the 21st Century.

ANNEXES

List of Abbreviations

EBIC	EUROPEAN BUSINESS INFORMATION CENTRE	● Abbreviations related to the European Union
EC	EUROPEAN COMMUNITY	
ECHO	EUROPEAN COMMUNITY HUMANITARIAN OFFICE	
ECIP	EUROPEAN COMMUNITY INVESTMENT PARTNER SCHEME	
ECU	EUROPEAN CURRENCY UNIT	
EEC	EUROPEAN ECONOMIC COMMUNITY	
EIB	EUROPEAN INVESTMENT BANK	
EU	EUROPEAN UNION	
GSP	GENERALISED SYSTEM OF PREFERENCES	
ADB	ASIAN DEVELOPMENT BANK	● Abbreviations related to South-East Asia
AFTA	ASEAN FREE TRADE AREA	
APEC	ASIA PACIFIC ECONOMIC COOPERATION	
ARF	ASEAN REGIONAL FORUM	
ASEAN	ASSOCIATION OF SOUTH-EAST ASIAN NATIONS	
CEPT	COMMON EFFECTIVE PREFERENTIAL TARIFF	
SOM	SENIOR OFFICIAL MEETING	
ABC	ASEAN BRUSSELS COMMITTEE	● Abbreviations related to EU-Asean Relations
AEMTRC	ASEAN-EC ENERGY MANAGEMENT TRAINING CENTRE	
AEMC	ASEAN-EC MANAGEMENT CENTRE	
AEMM	ASEAN-EU MINISTERIAL MEETING	
ASEM	ASIA EUROPE MEETING	
COGEN	COGENERATION PROJECT	
ECAP	EC-ASEAN PATENTS AND TRADEMARKS PROGRAMME	
IRT	INDUSTRIALISTS ROUNDTABLE	
ISQAP	EC-ASEAN INDUSTRIAL STANDARDS AND QUALITY ASSURANCE PROGRAMME	
JCC	JOINT COOPERATION COMMITTEE	
JEM	JUNIOR EU-ASEAN MANAGERS EXCHANGE PROGRAMME	
RIET	REGIONAL INSTITUTE OF ENVIRONMENTAL TECHNOLOGY	
SILK	ASEAN-EU SECTORAL INDUSTRY LINKAGES PROGRAMME	
ODA	OVERSEAS DEVELOPMENT ASSISTANCE	● Other Abbreviations
DAC	DEVELOPMENT ASSISTANCE COMMITTEE	
IMF	INTERNATIONAL MONETARY FUND	
NGO	NON-GOVERNMENTAL ORGANISATION	
UN	UNITED NATIONS	
UNCTAD	UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT	
UNHCR	UNITED NATIONS HIGH COMMISSION FOR REFUGEES	
WTO	WORLD TRADE ORGANISATION	

List of Useful Addresses

EUROPEAN COMMISSION HEADQUARTERS

RUE DE LA LOI/WETSTRAAT 200 • 1049 BRUSSELS • BELGIUM

DIRECTORATE-GENERAL IB - SOUTH AND SOUTH-EAST ASIA

MAIL: RUE DE LA LOI/WETSTRAAT 200, B-1049 BRUXELLES/BRUSSEL

OFFICE: RUE DE LA LOI/WETSTRAAT 170, B-1040 BRUXELLES/BRUSSEL

TEL : (+32-2) 299 23 32 • FAX : (+32-2) 299 10 61

- PHILIPPINES** 7TH FLOOR SALUSTIANA D. TY TOWER • 104 PASEO DE ROXAS
CORNER PEREA STREET • LEGASPI VILLAGE, MAKATI • METRO MANILA
TEL : (63 2) 812 64 21-30 • FAX : (63 2) 812 66 86 / 812 66 87
- INDONESIA** WISMA DHARMALA SAKTI, 16TH FLOOR/ 32 • JL. JENDRAL SUDIRMAN • JAKARTA 10220
TEL : (62 21) 570 60 76 / 570 60 68 • FAX : (62 21) 570 60 75
- THAILAND** KIAN GWAN HOUSE II, 19TH FLOOR • 140/1 WIRELESS ROAD • BANGKOK 10330
TEL : (66 2) 255 91 00 • FAX : (66 2) 255 91 14
- VIETNAM** THE METROPOLE CENTRE, • 56 LY THAI TO STREET • HANOI • VIETNAM
TEL : (84 4) 934 18 61 • FAX : (84 4) 934 13 00 / 1 / 2

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TEL : (32 2) 374 91 33 • FAX : (32 2) 374 93 76
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TEL : (33 1) 45 53 70 47 • FAX : (33 1) 47 27 57 89
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TEL : (33 1) 45 03 47 20 • FAX : (33 1) 45 03 47 40
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<ul style="list-style-type: none"> • COGENERATION PROJECT • ASEAN-EC ENERGY MANAGEMENT TRAINING AND RESEARCH CENTRE (AEEMTRC) 	<p>Science And Technology Programmes</p>
<ul style="list-style-type: none"> • ASEAN REGIONAL CENTRE FOR THE CONSERVATION OF BIODIVERSITY 	<p>Environment and Conservation Programmes</p>
<ul style="list-style-type: none"> • INSTITUTIONAL DEVELOPMENT PROGRAMME FOR THE ASEAN SECRETARIAT • ASEAN-EU UNIVERSITY NETWORK • JUNIOR EU-ASEAN MANAGERS EXCHANGE PROGRAMME (JEM) • ASEAN-EC MANAGEMENT CENTRE 	<p>Human Resources development Programmes</p>
<ul style="list-style-type: none"> • EUROPE-SINGAPORE REGIONAL INSTITUTE OF ENVIRONMENTAL TECHNOLOGY (RIET) • ECO-BEST • ASIA-INVEST • ASIA-URBS • EC-ASIA INFORMATION TECHNOLOGY PROGRAMME • ASEM ENVIRONMENT AND TECHNOLOGY RESEARCH CENTRE 	<p>General Horizontal Programmes for Asia Covering The Asean Region</p>

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