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TO THE COUNCIL, THE EUROPEAN PARLIAMENT  
AND THE ECONOMIC AND SOCIAL COMMITTEE

**CREATING  
A NEW DYNAMIC  
IN EU-ASEAN RELATIONS**

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## INTRODUCTION

The European Union is ASEAN's<sup>1</sup> oldest dialogue partner. The special understanding which has been forged between our two regions is an asset in the drive to expand the European presence in the Asia-Pacific region. The Karlsruhe Ministerial Meeting<sup>2</sup> called for a strengthening of our ties in a spirit of greater equality and partnership and a major debate was launched, notably among the ASEAN countries, on the "Future Direction of EU-ASEAN relations"<sup>3</sup>. The present communication forms part of this concerted effort which has also involved the informal Eminent Persons' Group<sup>4</sup>. Their report, disclosed in June 1996, has been considered in establishing the guidelines proposed hereafter.

ASEAN occupies a key position at a time of transition for the Asia-Pacific region in which the search for a new equilibrium among the regional powers is a major factor. The ASEAN Regional Forum, which, apart from ASEAN, includes several other Asian countries<sup>5</sup>, Russia, the EU, the United States, Canada, Australia and New Zealand, has been assigned the major task the Association has striven to assure since its inception, namely, maintaining peace and stability in the region. In addition, it is contributing to ease China's integration into international and regional structures.

Its economic role has also evolved and taken concrete shape with the decision in 1992 to create AFTA, the ASEAN Free Trade Area, which is to be completed by 2003. Framework agreements for the liberalisation of services and co-operation on intellectual property and the establishment of a free investment zone were also signed on 15 December 1995.

ASEAN is on the way to achieving a political and economic community adapted to the needs of the whole variety of its member countries while respecting the identity of each. The accession of Vietnam should not jeopardise this trend since the Summit of ASEAN Heads of State in Bangkok on 14 and 15 December 1995, which met to debate the theme "Towards One Southeast Asia", showed a clear will to consolidate economic links and pursue a political vision for the whole region. Cambodia, Laos and Myanmar could join ASEAN by the year 2000 (Cambodia's and Laos' applications are already being examined). This would make it a community of ten nations with a population of 450 million.

Given ASEAN's key role, the Commission feels that launching a new dynamic in our relations with ASEAN can make a considerable contribution to the strengthening of the European presence in Asia. In the current optimum context of economic growth and development of the region, and now that our common thinking on the subject has matured, we can embark on a process which matches the political, strategic, economic and cultural importance of our two regions.

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<sup>1</sup> Association of South-East Asian Nations. It is composed of: Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

<sup>2</sup> 11th EU-ASEAN Ministerial Meeting held in Karlsruhe in September 1994. In it, most notably, the decision to create an informal Eminent Person's Group (EPG) was taken. The EPG was charged with developing concrete recommendations for the enhancement of EU-ASEAN relations.

<sup>3</sup> Text presented by ASEAN at the October 1995 Joint Cooperation Committee Meeting.

<sup>4</sup> See Annex 0.

<sup>5</sup> China, Japan, South-Korea, Laos, Cambodia, Papua New-Guinea, India, Myanmar.

## SECTION I - THE NEED FOR A NEW DYNAMIC IN EU-ASEAN RELATIONS

ASEAN has been one of our partners for a considerable length of time and is an important political interlocutor. It represents a major economic challenge for Europe. Both sides have expressed the will at the highest level to raise the profile of our partnership and strengthen it. This undertaking, which has long been deferred, now appears more urgent than ever.

### 1. THE NEW ASEAN CONTEXT

#### 1.1. A vast market for the future

The remarkable economic rise of Southeast Asia looks set to continue. A preserved climate of security for economic operators, the ASEAN project for an internal liberalisation of trade, the opening of traditionally protected markets to international competition: all these indicators today point to an optimistic outlook<sup>6</sup>. This market's growth rate and potential are worth being highlighted once again.

- ASEAN's capacity for the creation of wealth, both current and potential, is impressive. Between 1989 and 1994, average growth was 7.0% per annum, with some countries such as Singapore, Thailand and Malaysia achieving growth rates of nearly 9.0%. This growth has generally gone hand in hand with a high rate of savings and relatively low inflation.
- At the same time there has been a growth in purchasing power. The prospects for infrastructure (transport, buildings, telecommunications, etc.) and services (in 1995 Thailand's imports of services increased by 40%) are considerable.
- The overall volume of the ASEAN countries' trade with the outside world has more than tripled in the space of 10 years. After relative stagnation, intra-ASEAN trade took off with an increase of 40% in 1994, reaching 111 billion US dollars or 20% of the ASEAN countries' overall external trade. In 1995 there was a further 16% increase making intra-ASEAN trade worth 130 billion US dollars.
- In 1995, the Community was ASEAN's second largest export market and the third largest trading partner after Japan and the United States. 1995 saw a jump in EU exports to ASEAN (+19.6%) thus making the trade balance evolve from a 2.5 billion Ecu deficit in 1994 to a 0.85 billion Ecu surplus. This is the first time the EU registers a surplus with ASEAN since 1984<sup>7</sup>. The EU has nonetheless lost its market share, chiefly to Japan (ASEAN's deficit with Japan in 1995 accounted for 23% of their bilateral trade).

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<sup>6</sup> See Annex 1.

<sup>7</sup> See Annex 2.

Access to the ASEAN countries' markets remains unequally open due to administrative policies or regulatory frameworks. These market-access obstacles should be removed through bilateral discussions or following actions undertaken at the multilateral level (WTO).

- ASEAN exports today consist mainly of manufactured products (66% raw materials in 1975, 78% manufactured goods in 1995), with ASEAN's share of European imports of these products from developing countries rising from 9% in 1975 to 22% in 1993. Exports to the Community rose by 386% between 1980 and 1995.
- ASEAN attracts investment on a huge scale<sup>8</sup>. Its current stock of foreign investments amounts to nearly 200 billion US dollars, three times greater than that of China, currently the biggest beneficiary in the developing world. In 1994 investment flows to ASEAN increased by 131%. Nevertheless, discriminatory practices and important obstacles to investment remain, notably concerning European investments.
- Europe is the second largest investor in ASEAN ahead of the United States but behind Japan<sup>9</sup>, which considerably increased its investment over the last ten years. The average European investment in ASEAN between 1990 and 1993 was 2,666 million US dollars per annum, whereas the Japanese average was 3,723 million US dollars<sup>10</sup>. Europe accounts for 14.1% of overall investment in ASEAN. However, according to the OECD, East Asia accounted for less than 1% of cumulative FDI from EU countries over the 1982-1992 period. By comparison, 18% of European FDI went to the US.

## 1.2. An effort to contribute to international structures

ASEAN countries participated in the Vienna Declaration on Human Rights (1993), in the Cairo Conference on population and development (1994), in the Copenhagen Declaration on social development (1995) and in the Beijing Declaration on Women (1995). In addition, they are signatories to the principal ILO conventions. Their presence within the framework of these various bodies is encouraging but must still produce more effective results within their respective social environments.

Concerning international trade, the ASEAN member countries have proved their interest in strengthening the WTO system, actively cooperating during the Uruguay Round and after. They recently made part of their eagerness to contribute to the success of the WTO Ministerial Meeting in Singapore.

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<sup>8</sup> See Annex 3.

<sup>9</sup> On the basis of the average investment 1990-1993.

<sup>10</sup> Investment figures for five ASEAN countries. Brunei and Vietnam are not included. For Singapore, data concerned investment in the manufacturing sector only.

### 1.3. New regional challenges

Southeast Asia has taken on a double challenge: the creation of a Community of ten nations including Cambodia, Laos and Myanmar, and participation in the grand Pacific project which is APEC.

After a series of vain efforts to develop a system of preferential trade agreements in its midst, ASEAN took a decision in January 1992 to put in place a **genuine free-trade area, AFTA**. The main objective is to eliminate customs tariffs on all intra-ASEAN trade with the exception of a small list of sensitive products<sup>11</sup> by the year 2003. A three-year transition period was set for Vietnam. Other liberalisation measures are planned, notably non-tariff measures, trade in services and investment. The establishment of an open market among the ASEAN countries will nevertheless require important efforts if national resiliences, particularly concerning the competition between their mutual economies, are to be overcome.

Cambodia and Laos, from 1997, and Myanmar, by the year 2000 should join Vietnam as new members of ASEAN. The absorption of these fragile economies by the Association runs the risk of creating economic problems. It is clear, however, that at the political level their integration should have positive effects.

The ASEAN countries<sup>12</sup> are founder members of APEC and are participating actively in the drive to liberalise and facilitate trade within this framework<sup>13</sup>. APEC has in recent years followed a very active course based on the one hand on voluntary commitments to liberalise and, on the other, on intense activities to facilitate and co-ordinate all fields linked with economic relations. Objectives have been defined for total liberalisation of trade and investment<sup>14</sup> although a definite undertaking has not been achieved at this stage.

## 2. IMPLEMENTATION OF EUROPE'S STRATEGY ON ASIA

The process of strengthening links between Asia and Europe, initiated with the adoption of a new strategy for Asia in July 1994, was given a boost with the Asia-Europe Meeting (ASEM) in Bangkok and the beginning of a dialogue at summit level between the two continents. Considerable effort has already been made over a two-year period: agreements were signed, or are in the process of being signed, with Vietnam, Bangladesh and Korea, new agreements are being prepared and an unprecedented effort has been launched in the field of economic co-operation. Bringing our ties with ASEAN up to date is the key element in this new Asia policy.

Since the signing of the EC-ASEAN Co-operation Agreement in 1980<sup>15</sup> the development of our ties in the sense of a responsible and constructive partnership

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<sup>11</sup> Notably around 20% of non-processed agricultural products.

<sup>12</sup> Except for Vietnam which submitted its candidacy to APEC in June 1996.

<sup>13</sup> See Annex 4.2.

<sup>14</sup> 2010 for the industrialised countries and 2020 for the industrialising countries.

<sup>15</sup> Cooperation Agreement between the EEC and Indonesia, Malaysia, the Philippines, Singapore and Thailand - member countries of ASEAN - signed in Kuala Lumpur on 7 March, 1980. Council

constitutes the best example of co-operation between two regional blocs with the same ideals. ASEAN launched the initiative for ASEM and the success of this summit illustrated the huge expectations which existed on both sides to establish such a link. ASEM can now provide the two partners, Europe and ASEAN, with the impetus to move on to a higher level.

ASEAN represents a point of balance in the region and Europe can help strengthen it in this role. Moreover, as noted by the European Council at Essen, the reinforcement of our links at all levels with the states of the Asia-Pacific region must be able to count on ASEAN. When examining the possibilities of improving cooperation, it is essential to take into account all existing and emerging frameworks in order to avoid unnecessary duplication of work. Existing structures include the on-going EU-ASEAN framework as well as ASEM and cooperation in Geneva.

### 3. ADJUSTING THE FRAMEWORK OF OUR PARTNERSHIP

Relations between ASEAN and the Community have changed radically since the signing of the 1980 Agreement<sup>16</sup>. In 1980 our relations were conducted on a donor-recipient basis. Today we have a relationship which is characterised by balanced trade, the development of investment and greater economic co-operation.

The scope and objectives of our 1980 agreement are limited. It is true that Europe and ASEAN have woven a web of ties over the years<sup>17</sup>, but without a vision of the future and a strong political impetus, we will gradually get bogged down in routine discussions. The absence of a common project of grandeur and a new instrument to promote it prevents us from giving our relations the dimension and coherence they need. If ASEM lays down the foundations for a modern concept of Europe-Asia relations, the links between Europe and ASEAN should reflect and amplify this insight within a specific framework.

The model for our relations with ASEAN is minimal compared with the kind of agreements recently signed by the Community with a number of third countries. Since July 1992, a negotiating directive for a new agreement remains blocked at the Council because of human rights concerns related to the East Timor question. Moreover, with the exception of Vietnam, the 1980 Agreement is not underpinned by any bilateral agreement with member countries of the Association.

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Regulation 1440/80 30 May 1980. OJEC - L 144/80 10.06.80. Modified by the Council Regulation (EEC) N. 743/85 21 March, 1985 in order to take account of Brunci's accession to ASEAN.

<sup>16</sup> See Annex 5.1.

<sup>17</sup> See Annex 5.2. This point is also stressed by the Economic and Social Committee in its document "Relations between the European Union and ASEAN" (CES 852/95 fin) presented in January 1996.

The purpose of this communication is to initiate discussions within the Community and with our ASEAN partners on a model for our future ties. These discussions can draw wide inspiration from the ideas developed by Eminent Persons' Group. For a number of issues, the action proposals presented by the Commission are in the same line as the general guidelines proffered by the Group rendering them operational.

Section II deals with the objectives, section III with the structures and section IV proposes two options.

## SECTION II - THE GOALS OF A NEW EU-ASEAN DYNAMIC

Both partners are enthusiastic for a new partnership. For ASEAN the European market represents its second biggest export market; Europe offers a counterbalance to the presence of Japan and the United States in the area; there is a risk that Europe will lose out because it has strengthened its links with other regions. On the European side there is considerable interest in the economic potential of ASEAN; there is also a certain anxiety about being shut out of the region by the dynamic action of other great economic powers.

Two main concerns should guide our future steps:

- We have forged solid links and our co-operation has expanded in a whole variety of areas. However, our partnership does not give the necessary thrust to the development of links at all levels between our two regions. Despite many contacts and important programmes, we are witnessing a regrettably static application of our agreement. This situation is unfortunate for it may lead to our dissociation from the sometimes quick developments of the Asia-Pacific area; it is essential to give a dynamic impetus to our ties.
- The ASEM framework offers important prospects for developing our dialogue at the highest level and launching large-scale projects. Our action with ASEAN, if it is to complement ASEM and respond to the particular expectations of our two regions, should set its sights on a greater degree of achievement than that shown until today.

### 1. A STIMULATED POLITICAL DIALOGUE

The history and geography of Southeast Asia, into which the traditional links between the Member States of the European Union and the present or future members of ASEAN are woven, make of it the cornerstone of our relations with the whole region.

The two groupings have numerous characteristics in common. In fact, both are tending towards regional integration, both are playing an important role in the security and stability of their respective regions, and both have been called upon to accept neighbouring countries that are in a period of transition towards a market economy and pluralist democracy as new members.

The two regional groups can thus compare and exchange experiences in their relations with their immediate neighbours. The European Community can contribute to ASEAN's efforts to integrate new members that are in a period of transition towards a market economy and pluralist democracy.

The strategic position of the ASEAN Member States, situated between South Asia and East Asia and controlling the maritime routes linking the Middle East and North-East Asia, makes Southeast Asia an obligatory point of passage in exchanges of all types within Asia and between Asia and Europe.

After the end of the Cold War, the Asia-Pacific region is faced, like Europe, with the need to formulate a new framework for the security of the region. This involves a difficult task since the region is going through a period of readjustment. This is particularly due to the economic and political emergence of China, the desire of Japan to take on a more important role in the security of the region, the evolution of defence relations between the United States and certain Asian nations, and finally, regional regrouping towards an ASEAN of ten.

During this period of transition, ASEAN has played and will continue to play an important role in the security and stability of the region, while waiting for the emergence of a new balance among the evolving actors.

For both historical and geographical reasons, it appears that no major regional power will be allowed to play a predominant role in the region. This situation highlights the pivotal role of ASEAN in the formulation of a framework for the security of the Asia-Pacific region. The fact that ASEAN was able to create the ASEAN Regional Forum after the regular holding of meetings with its Dialogue Partners (ASEAN-PMC<sup>18</sup>) as a setting bringing together intra- and extra-regional powers to examine issues of security in the Asia-Pacific region only confirms in its entirety the central role which ASEAN has been called upon to play in Asia.

Effective recognition of ASEAN's leading role should push the European Union to make of it a focal point of its political presence in Asia. Nevertheless, the EU should also continue encouraging dialogue and discussion with the other actors of this part of the world.

The existing mechanism of ASEAN-EU political dialogue could still be improved. As much at the ministerial level as at the level of political directors, current meetings bring together the representatives of all the Member States of the Union and of ASEAN and the Commission. The high number of participants does not always permit an in-depth exchange of views, all the more so because these meetings deal with an agenda that is simultaneously political and economic.

To strengthen and deepen the ASEAN-EU political dialogue, the Commission suggests adding to existing channels of communication an annual meeting of the geographical directors of the Commission and European Member States and of the ASEAN Member States in order to discuss matters of more specific relevance to ASEAN or common relations such as maritime security (free navigation, the fight against piracy, accidents on the high seas), denuclearisation in Southeast Asia (SEANWFZ), the fight against drugs, preventive diplomacy and conflict resolution, etc.

Beyond these specific issues, the ASEAN-EU political dialogue could explore the scope for bringing closer together the positions of the two regions and cooperating on international matters of mutual interest such as the reform of the United Nations, disarmament and non-proliferation, peace-keeping operations, etc.

Inscribed in the European Union Treaty, the development and consolidation of democracy and the respect for human rights must be important elements of the

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<sup>18</sup> Post-Ministerial Conference. See Annex 5.2.

political dialogue between the European Union and ASEAN. They will have to be taken into account when proposing new initiatives for the intensification of relations between the two groupings. In its November 1995 Communication on human rights<sup>19</sup>, the Commission insists in the need of using in an optimal way the available instruments in order to integrate human rights in our conventional relations with third countries. This should permit us to "identify in common the priorities of a partnership programme and/or specific actions in favour of human rights and democracy". In our relations with these countries, the high priority the Union gives to a positive approach must also be stressed. In fact, as underlined in the resolution of the Council and of the Member States gathered for the Council of 28 November 1991 on human rights, democracy and development, "an open and constructive dialogue with governments may result in a major contribution to the promotion of human rights and democracy".

The Community and its Member States should insist on programmes aimed at favouring and promoting respect for human rights.

Enhanced parliamentary links would be instrumental in the establishment of co-ordinated views concerning overall ASEAN-EU political issues. Regular meetings between the European Parliament's competent delegation and the ASEAN Inter-Parliamentary Organisation (AIPO) already exist. These should be stepped up. As the representatives of their respective civil societies, both organisations are in a privileged position to develop an inter-regional political dialogue conducive to a substantial partnership of equals. The dynamism of the ASEAN-EU relationship is in need of the inter-societal exchanges and people-to-people contacts that inter-parliamentary links can produce.

The importance that ASEAN leaders attach to informal and personal relations at meetings, as the Asia-Europe Meeting showed, should also be emphasised.

## 2. A STRATEGY FROM REGION TO REGION

AFTA is taking shape<sup>20</sup> with a slight delay and limited objectives compared with those of other new groupings such as MERCOSUR or NAFTA. However, it represents a potential market of 400 million consumers with an average annual growth rate of 7.5%<sup>21</sup>. The drive to liberalise and integrate within ASEAN embraces all aspects of economic activity including movement of goods and services, investment and intellectual property as well as programmes in industrial co-operation, science and technology and human resources. Intra-ASEAN trade increased by nearly 40% in 1994 and by 16% in 1995. Although they have followed different paths in their approaches to integration, ASEAN and the Community can build a partnership of equals to promote their respective regional market and create links of solidarity.

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<sup>19</sup> COM (95) 567 final: "The European Union and the external aspects of the human rights policy: from Rome to Maastricht and beyond".

<sup>20</sup> See Annex 4.

<sup>21</sup> 1994 average presented by ASEAN at the 12th JCC Meeting, October 1995.

Recognition by the Community and ASEAN of their mutual interest in maximising the benefits stemming from their respective internal liberalisation could form the basis of an **inter-regional dynamic** particularly through:

- ensuring, where similar programmes exist, better use of the economic potential of each area; evaluation on a reciprocal basis of participation in these programmes by traders from the other region (notably on industrial co-operation and scientific and technological co-operation) will be carried out.
- the creation of links between respective programmes aimed at developing university, scientific and cultural exchanges.
- information and openness concerning all aspects of the implementation of integrated policies having an impact on the activities of traders in the other region; a system for consultation on the mechanisms pertaining to domestic trade in the two groupings (transit and other aspects of the customs regime, rules of origin, taxation, movement of people and capital) with the aim of avoiding the creation of obstacles to imports;

### 3. AN UPSURGE IN TRADE AND INVESTMENT

Over recent years the ASEAN countries have made an unprecedented effort to liberalise their economies apparently leaving behind a strong tradition of protectionism. At the end of the Uruguay Round they made contributions in the field of tariffs (e.g. Indonesia raised its rate of tariff consolidation from 10% to 95%), they reinforced the protection of intellectual property in order to conform to the TRIPS Agreement (on trade-related intellectual property rights matters). They have also launched a certain liberalisation of services. As members of APEC, they are participating in a drive to liberalise and facilitate trade on a wider scale. In 1995, Thailand, Indonesia and the Philippines launched unilateral tariff reduction programmes. Finally, with the creation of AFTA, they have undertaken to establish an internal free trade area for industrial products and the bulk of agricultural trade by 2003, to help abolish barriers to trade, to simplify customs procedures and to co-operate on the liberalisation of services and investment.

The creation of the Single Market has provided exceptional opportunities to exporters and investors from Asia. The Community has further reduced its market protection following the Uruguay Round negotiations and is continuing its efforts to strengthen and extend WTO disciplines. Moreover, partners such as ASEAN have benefited to a large extent from autonomous concessions granted under our GSP.

Inversely, the new potential created by ASEAN is not sufficiently exploited by the Community. A host of reasons explains this fairly weak European performance and it is clear that it is up to the firms themselves to remedy this situation. But a new EU-ASEAN dynamic could help create a stable climate conducive to the development of trade and the growth of investments. Action should be taken on two fronts:

#### 3.1. Facilitating and Liberalising Trade

Progress towards freer trade in the two regions is the result of concessions obtained in the multilateral framework and of efforts

made unilaterally. Under the 1980 Agreement, ways of eliminating barriers to trade on a most-favoured-nation basis were to be studied, but no concrete dynamic has been developed in the framework of our relations. We should seek to develop a more positive relationship by ensuring that the various trade liberalising activities underway in ASEAN and Europe take full account of the specific interests of the two partners.

- 3.1.1. This implies, first and foremost, a close attention to the implementation and effective application of Uruguay Round concessions. Beyond the opportunities created by this process, the Commission has made clear in its market access strategy the need to identify and progressively remove outstanding obstacles to bilateral trade. The Commission is still in the process of developing the necessary data: our own assessment of the main obstacles facing EU exporters to ASEAN is given in Annex 6, but the Commission hopes that European operators will provide comments and additions to this assessment.
- 3.1.2. Trade facilitation would require the establishment of instruments supporting the reduction of obstacles: enhanced transparency, for example by developing the exchange of tariffary and non-tariffary data; simplification of administrative formalities; undertakings to conform to the same certifying and normalising instruments; ensuring the putting in practice of the rules and principles of the WTO, including the Government Procurement Agreement. Given the complexity of this task, a sectoral approach in cooperation with industry would be more realistic.
- 3.1.3. Europe and ASEAN must also continue to cooperate very closely in developing a broader WTO work programme, beyond the December WTO Ministerial, in order to prepare the further negotiations that will be needed before the end of the century.

For all these purposes ad-hoc cooperation may be needed regarding specific trade obstacles, whether through the ASEAN Brussels Committee (ABC) as at present or country by country. Cooperation in the current EU-ASEAN framework should be intensified, beyond the 18-monthly meetings of the trade sub-committee established in the framework of the current agreement. This work should be focused on the definition of priority areas for facilitating and liberalising bilateral trade. Full use must also be made of the framework offered by meetings of ASEM senior officials for trade and investment. For ASEAN, a broadly based dialogue of this kind would enable it to defend more specifically its trade interests in Europe, which are numerous, and enable it to discuss as an equal partner prospects for international trade.

### 3.2. Facilitating Investment

Access to the Southeast Asian dynamic market requires large scale investment in the countries of the region. However, European companies are not contributing sufficiently to the important growth in foreign investments of the region. Also, the development of ASEAN companies' investment in Europe can offer new perspectives of growth and job creation<sup>22</sup>. Investment must therefore represent one of our main concerns in the proposed dynamic.

Our objective should be to pinpoint the main difficulties in terms of procedures, regulations and guarantees and other types of obstacles in the growth of investment in both directions. This exercise, the objective of which is notably to negotiate the elimination of such obstacles within the framework of multilateral efforts, especially in the WTO context, should be based on the work to be conducted by the ASEM Working Group on Investment by undertaking a more detailed examination of specific aspects in the EU-ASEAN context.

An examination of the more general question concerning capital flows, taking into account the development within Southeast Asia of portfolio investment-type movements, should be initiated.

ASEAN firms have expressed an interest in the high level of technological development of European firms and their ability to transfer their research work and technology, notably in comparison with their Japanese competitors. Undoubtedly, an essential - if not sufficient - condition for favouring technology transfers is the adequate and effective protection of intellectual property<sup>23</sup>. Furthermore, in general, these private law rights belong to private enterprises which use them according to their autonomous decisions. Public organisations could encourage, through appropriate measures, technology transfers, without by so doing replacing the private enterprises themselves.

Impediments can be not only regulatory and administrative but also of an economic and business kind, affecting in particular SMEs. Efforts will have to be made regarding three priority matters:

- Investment barriers

Free and open investment should include the liberalisation of investment regimes, full market access, application of national treatment and the MFN clause for investment;

- Objectives and promotion measures

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<sup>22</sup> See Annex 3.

<sup>23</sup> The effective application of the TRIPS agreement should ensure the protection of intellectual property which could itself promote technology transfers by companies. Cooperation with ASEAN has already been engaged in this respect through the technical assistance programme ECAP (EC-ASEAN Patent and Trademarks Programme). This cooperation will be completed by discussions within an ad-hoc intellectual property rights working group.

In order to take fuller account of comparative advantages of the partner countries, initiatives should be focused on industrial, scientific and technological co-operation, better use of information technology and the creation of awareness of the potentialities of the global information society;

- Private Sector involvement

Business should be given the possibility of playing a leading role within the proposed new dynamic. This applies to the identification of opportunities and the strategies to exploit them, to the creation of support structures as well as to initiatives to facilitate the transfer of technology and know-how by holding Industrialists' Round Tables and other industry-led co-operation meetings.

Privatisation and Infrastructure should be opened to a wider participation of European business and, in co-operation with ASEAN partners, diminishing risks and facilitating the financial engineering of companies by improving access to calls for tenders.

#### 4. REORIENTING CO-OPERATION<sup>24</sup>

To take account of the extremely dynamic evolution of the ASEAN countries, our co-operation programmes have been geared towards an increased economic content and the focusing of development schemes on disadvantaged areas and populations. These new guidelines have already been applied systematically and have given rise to effective support instruments for trade such as EBICs<sup>25</sup> or the Technology Windows, and for investment as the Asia Invest programme will be once it comes into being. Our development cooperation has also been adjusted so that it can give priority to the poorest countries and to schemes contributing to the improvement of the conditions of the most disadvantaged categories through sustainable and multiplying activities which take particular care of environmental and resource management problems.

This new co-operation strategy can only benefit from the establishment of an overall framework so that the efforts and resources that the Community devotes to the ASEAN countries can be used in a more consistent and effective manner. Furthermore, given the advanced economic situation of certain ASEAN countries, it would be desirable if there were greater co-operation between them and the Community on logistic support, human resources and programme-financing.

##### 4.1. Economic Co-operation

The objectives of economic co-operation in the widest sense of the term should match the imperatives of the partnership as spelled out in points 2 and 3 of this section, the ultimate objective being to give economic players in the two regions scope for drawing maximum benefit from the realisation of the Economic and Monetary Union and from the ASEAN countries' integration process as well as from the reduction of obstacles to trade between the two

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<sup>24</sup> See Annex 7.

<sup>25</sup> European Business Information Centres.

partners. This cooperation should count on a regular exchange of information on the respective integration processes, including its macroeconomic aspects. It should further:

**(1) stress schemes to disseminate and adopt mutual regional integration efforts:**

- **in the customs field**, actions concerning customs cooperation, the exchange of officials, cooperation in the field of information exchange in view of the simplification and harmonisation of customs procedures;
- **on statistics**, studies and operations aimed at aligning methods and enabling an exchange of data on trade in goods and services and in any other field where this may be deemed useful;
- **on standards and other technical barriers**, encouraging co-operation between the competent bodies;

**(2) define priority fields:**

- **by promoting industrial cooperation in key areas** of economic development of the two partners:
  - \* industrial cooperation including information technology and communications, energy and transport. For all of these sectors, actions could be geared to enhancing business cooperation, investment, technology transfer and training;
  - \* cooperation concerning the Information Society: actions adapted to differing levels of development within ASEAN as, for example, the setting-up of a dialogue on the different aspects of the information society, including the policy followed in the telecommunications sector; information exchanges (including a possible technical assistance to ASEAN) concerning regulation and normalisation, conformity tests and certification of information technologies and telecommunications; the distribution of new information and communication technologies including their innovative applications; the strengthening of the interconnection and interoperation of networks and services; the development of advanced communication networks, terrestrial as well as satellite; the mutual participation in projects establishing the Information Society according to specific modalities in the concerned domains;
  - \* Since efficient transport links play a major role in the development of trade, special attention should be given to transport. Co-operation with ASEAN should be encouraged not only in the fields enumerated by ASEAN Transport Ministers at their March 1996 meeting in Bali but specifically in fields such as the transfer of technology to the ASEAN states

so as to promote more energy-efficient and environmentally sustainable transport, multi-modalism, transport-related research and development, traffic management based on Global Navigation Satellite Systems and the improvement of transport links between Southeast Asia and Europe;

- by increased **support to small and medium-sized firms** through actions geared to the setting up of joint ventures and networks, information and support services, assistance and guarantees on investment and technology transfer; the setting up, for example, of co-operation links between Euro-Information Bureaux and their equivalents in the ASEAN countries (e.g. Chambers of Commerce which are the only private entities organised at the ASEAN level) to ensure mutual dissemination of information to SMEs, will be favoured by the Asia-Invest program and the ties it will establish through the European Business Information Centres (EBICs). The rapid adoption and the support of all concerned parties to this program will be crucial;
- by selecting initiatives aimed at creating links between the **Community, the Member States and ASEAN**, notably in the promotion of contacts and exchanges between universities, researchers and intellectuals, in meetings aimed at developing mutual understanding between the two regions, in support for private, local or regional efforts to set up links at all levels of civil society. The promotion of the JEM (Junior EU-ASEAN Manager's) programme, assuring an exchange of young managers, is a step in the direction of the creation of ties between the young businesses and, thus, the two regions.

## 4.2. Development Co-operation

### 4.2.1. General Guidelines

Certain ASEAN countries are still at an important level of under-development and poverty: we should continue our effort to assist them in improving their economic growth and the social welfare of their population. In addition, protection of the environment and conservation of natural resources are elements to be considered in priority. Finally, an intensifying collaboration with the most developed ASEAN countries should be sought for in support of actions designed for the development of the most disadvantaged regions.

### 4.2.2. Social development cooperation

The Community's social development assistance should focus on the poorest categories of the population. A notable effort should apply to rural development and the development of primary education.

The improvement of the condition of women and the importance the woman's role should receive within society should receive special

attention, just as the strengthening of actions destined to the protection of children.

Concerning fundamental social rights, and particularly child-labour, the Community may provide the necessary assistance to support the efforts to be developed by Southeast Asian countries in this respect.

Finally, health issues can be the object of special attention and constitute a priority in the establishment of cooperation with ASEAN countries<sup>26</sup>. It should specifically acknowledge the rise of AIDS contamination cases in the region.

### 4.3. Co-operation in other fields

#### 4.3.1 *Environment*

The new EU-ASEAN dynamic will acknowledge protection of the environment as a key concern. The ASEAN countries are well aware of the risks posed to their natural heritage by rapid economic growth which fails to take protection of the environment into account. Co-operation on environment has been of limited effectiveness in the past because of a lack of information enabling proper priority to be attached to the various environmental questions. While these priorities are becoming clearer, co-operation needs to be developed to establish a systematic method of updating information and agreeing on priorities. Specifically, there should be co-operation on:

- enhancing ASEAN states' capacity to develop effective environmental legislation and their capacity to implement it;
- encouraging actors in government, industry, interest groups and other areas (e.g. the military) to share responsibility for the future environment of the ASEAN region;
- encouraging ASEAN participation in the pursuit of both regional and global environmental objectives;
- the installation of appropriate technology necessary for mitigating pollution, especially from new industries, vehicles and from energy production; the local development of appropriate technological solutions to local pollution problems.

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<sup>26</sup> A malaria-fighting program worth 29 million Ecus and covering Vietnam, Cambodia and Laos was launched by the Commission in 1995. It constituted a first example of cooperation with ASEAN as it is managed in coordination with the WHO regional office in Manila and could benefit from the technical assistance of a regional applied research body (SEMAO-TROP-MED) in which ASEAN participates.

#### *4.3.2 Bringing the two societies together*

The development of closer links between Europe and Asia, notably in the field of culture, should continue to be the object of particular attention in drawing up our co-operation policy. The importance of creating links between our universities and also between other sectors of civil society was spelled out clearly at the Bangkok Summit in the context of which a number of proposals were tabled. In their bilateral relations, ASEAN and Europe should extend efforts already embarked on in the ASEM context.

ASEAN and the Community could develop cooperation in education and training which, respecting the principle of subsidiarity, complements bilateral activities in the field. Building on the Community's experience with education and training-networking between actors in the Member States, they could facilitate partnerships between institutions and practitioners and could further promote student centred cooperative activities and the exchange of expertise in fields like curriculum development, academic recognition, university/enterprise cooperation and the use of new educational technologies.

Action to be taken in the wake of the Europe-Asia Cultural Forum held in Venice last January, should also be studied. A particular effort should be made in the field of information between the two regions in order to reflect their respective initiatives to promote their regional identities and cultures. With this in mind, co-operation with the ASEAN Committee on Culture and Information could be developed.

#### *4.3.3 Crime prevention*

The fight against organised crime, under its various forms, including the related laundering activities, must be tackled jointly. This effort should be carried out within the existing bilateral cooperation framework, which should be better coordinated, and within the appropriate multilateral bodies. Further, specific collaboration methods should be developed within the partnership each time it may be required.

Drug-trafficking is undoubtedly a privileged target for our cooperation, particularly through the development of strengthened relations between customs administrations, specifically concerning drug-precursors. Special attention will also have to be given to the prevention of illegal immigration, notably the trade of human beings, and to the networks that organise it.

#### *4.3.4 Science and Technology*

Cooperation in science and technology is an important tool in the promotion of an environment favourable to cooperation in general. It enables Europe and third countries to be jointly associated with the generation of knowledge and of innovative and appropriate

technologies needed to solve regional and global problems so as to achieve sustainable development.

Science and technology cooperation between Europe and the ASEAN countries is already actively encouraged under the 4th Framework Programme for RTD, particularly in the fields of natural resources, agriculture, health and information and communication technologies.

Discussion is underway within the Commission on ways in which S&T cooperation with the ASEAN countries, might be further enhanced. Building on the current official EC-ASEAN dialogue on S&T, possibilities now exist to expand that dialogue.

### SECTION III - OPERATIONAL STRUCTURES

Implementation of the objectives set out in Section II would entail minimum adjustments to the EU-ASEAN institutional framework<sup>27</sup>. We already have a substantial number of bilateral bodies authorised to adopt guidelines, to decide common action between the two regions and to monitor implementation. Moreover, more general issues can be discussed in enlarged forums such as the Post-Ministerial Conference, the ASEAN Regional Forum and, more recently, the Asia-Europe Meeting (ASEM).

However, the current system lacks a practical framework to discuss concrete topics, notably in the field of economic relations. Involvement of the private sector is also inadequate.

Intensification of contacts and involvement of business would imply the following structures:

- ♦ **A Dialogue on investment and Trade Policy** within the framework of the structures envisaged by the 1980 Agreement to discuss multilateral and bilateral trade policy issues and charged with drawing up guidelines for specific action in the trade area;
- ♦ **A forum for dialogue in the private sector (Business Dialogue)**: the Dialogue should be made instrumental for the gradual setting up of an EC promotion strategy for ASEAN. It should concentrate on the interests of the effective players and the establishment of an attractive action plan on business promotion. Joint EC-ASEAN ad-hoc groups could be established to focus on subjects of mutual interest; a special group could deal with small and medium enterprises; a system connecting the Business Dialogue to the Working Groups should assure the taking into account of the private sector's interests.
- ♦ **Joint ad-hoc discussion forums involving personalities, researchers and academics on major social issues** such as culture, values, protection of the rights of the individual (human rights, workers' rights, the family, women, children) aimed at promoting better mutual understanding and identifying joint proposals to be submitted to the common decision bodies.

Adjustment of the tasks of the Joint Cooperation Committee and the strengthening of the role of the group of Senior Officials would be necessary.

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<sup>27</sup> See Annex 8.

#### SECTION IV - OPTIONS FOR LAUNCHING A NEW DYNAMIC

Over recent years, Europe has reviewed its external policy with a large number of partners. In each case it has striven to choose a model corresponding to the specific situation of the country or countries concerned. Redefining our relations with ASEAN should not be an exception to this rule. A number of factors should be taken into account:

- the process of ASEAN's economic integration is slow and could remain so for a variety of reasons: numerous problems remain as regards the liberalisation of sensitive products such as basic farm products; non-tariff barriers, the elimination of which is planned although with no fixed calendar, are very numerous; harmonisation of customs procedures is still in its infancy; decisions on the liberalisation of services and investment have only just started;
- ASEAN, after having received Vietnam into the fold, is opening up to Cambodia, Laos and, without doubt, Myanmar in the longer term; these countries are at a stage of development well below that of the majority of current members, which will mean a more complex approach to take account of an accentuation of disparities;
- the ASEAN countries, barring Vietnam<sup>28</sup>, are members of APEC, which is to establish free trade by the year 2010 for industrialised member economies and by 2020 for less advanced ones; the Asian Economic Ministers of ASEM stated in their preparatory works to ASEM that the liberalisation efforts they are required to carry out on an *erga omnes* basis in APEC should be matched by the Europeans;
- commercial and industrial policies are not concerted and each ASEAN country has its own interests: steps should therefore be taken, where appropriate, to achieve a variable or specific approach;
- sensitive political issues such as human right issues, and specifically East Timor, lurk beneath the surface, even if the Bangkok Summit brought interesting initiatives.

The present situation has three levels:

- a Cooperation Agreement between the Community and the ASEAN Member countries;
- a bilateral agreement with one of the ASEAN countries, Vietnam, and agreements in preparation with future members, Cambodia and Laos;
- a ministerial meeting fronting, independently of the Agreement, the whole of the relations between Europe and ASEAN;

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<sup>28</sup> Vietnam submitted its candidacy for APEC in June 1996.

Two options are proposed to mark the transition to a new era in our relations and to embark together on a new dynamic entailing concrete action:

<p><b>OPTION I.</b> <b>A FORMAL AGREEMENT</b></p>
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The 1980 Agreement affords a certain leeway. It could nevertheless be completed by taking into account certain objectives defined in Section II.

An agreement completing the 1980 Agreement would mark the original character of our relationship. The timing would be most convenient since ASEAN is right in the middle of its integration process. This formula would be based on a decision by the ASEAN countries as a whole to co-operate with the Community.

ASEAN is currently examining all its possible ties with other regional zones. It has notably established contacts with NAFTA. Europe, by offering in this way a reinforced partnership, would manifestly prove its interest for the evolution of the region.

The procedure would have a formal character (protocol to the 1980 Agreement) and would aim to complete our ties in all those aspects for which the present agreement does not provide the necessary framework. Specific actions for a reinforced liberalisation and cooperation could be identified in common.

The limits to this option are ascribable to the uncertain and imperfect character of the ASEAN integration. Despite the good-will declarations and the narrowing of ties (e.g. the decision to have annual informal Summits), ASEAN is still far from talking with a single voice and acting as a single bloc.

<b>Type of act</b>	A protocol to the 1980 Agreement
<b>Substance</b>	<ul style="list-style-type: none"> <li>- <u>basis</u>: recognition of the two regions' desire to co-operate to promote democracy, prosperity and links between their peoples</li> <li>- formulation of <u>inter-regional objectives and particularly</u>: <ul style="list-style-type: none"> <li>• co-operation on regional integration</li> <li>• facilitation of flows between the two regions</li> </ul> </li> <li>- creation of an <u>inter-regional consultation mechanism</u> to develop these objectives</li> <li>- definition of strengthened <u>economic co-operation</u></li> <li>- redefinition of <u>development co-operation</u></li> </ul>
<b>Machinery</b>	A negotiating directive proposal would be presented concerning the Protocol. Working Groups and consultation bodies within the framework of the existing structures will endeavour to realise the defined objectives.

The development of a political inter-regions dialogue could be integrated within a specific agreement between the Community and its Member States and the ASEAN countries.

**OPTION 2.**  
**AN ACTIVE PARTNERSHIP**

The realisation of new objectives for the deepening of our partnership with ASEAN may be based on the expression of a collective will to reinforce cooperation activities within the framework of the Agreement and to launch new actions following identified priorities. The approach would thus be the adoption of a common declaration of Ministers, or even Heads of State, defining the general objectives for which they charge a group of high-level experts to produce a draft programme of concrete actions.

This formula has the advantage of affording greater flexibility to the ASEAN countries since the undertakings agreed on within it would be accepted on an individual basis. It would also allow the precise focusing on the domains and sectors for which urgent action is required. Further, for such issues as the political dialogue, fundamental rights and society questions, precise undertakings could be made on an equal basis.

The realisation of the action plan based on voluntary and individual undertakings would involve inter-regional mechanisms without, however, excluding bilateral dialogues.

Within this option, the private sector should be closely associated: two formulae should be considered:

1. isolated work by the business sector subsequently reporting to the bodies of the Agreement;
2. direct participation of the private sector within the different committees.

Both solutions have certain advantages and could be used specifically according to circumstances:

- concerning the analysis of specific sectors of activity (transport, telecommunications, energy etc.), the first solution would be adopted, thus permitting the identification of problems specific to the sector and at the same time establishing links between the sectoral businesses.
- regarding horizontal matters (e.g. intellectual property, standards, investments etc.), the private sector could be associated to the work of the Senior Officials and let its particular concerns be known as well as make use of its expertise.

The success of such a partnership will obviously depend on the keenness of both partners to advance but also on their readiness to contribute the necessary human resources to organise the consultations and the expected negotiations. Furthermore, if efficiency is to be respected, clear objectives, especially dates, should be specified.

<b>Type of act</b>	Declaration and Action Plan signed by the Community and its Member States and the ASEAN Member States
<b>Substance</b>	<ul style="list-style-type: none"> <li>- priority definition and reinforcement of action within the domains of cooperation identified in the Agreement;</li> <li>- development of new actions within the domains other than those identified by the Agreement taking into account the political, economic and other objectives identified at the ministerial level.</li> </ul>
<b>Machinery</b>	Drawing-up of an action plan proposal and of a project of declaration by the Commission in view of their formal presentation to the Council. Once these texts adopted by the Community institutions and the ASEAN partners, discussions and negotiations will take place within the Agreement bodies and within ad-hoc working groups for the other domains and report to the Senior Official's Meeting.

Other options which could have been considered deviate from the determined objective, namely the launching of a concrete dynamic:

- a new third-generation agreement replacing the 1980 Agreement would face the political obstacles already encountered<sup>29</sup>;
- agreements with individual ASEAN countries could represent an alternative option if ASEAN fails to progress at the same pace; but, given the proposed objectives it is necessary to address the whole of the region while at the same time keeping the necessary flexibility to establish individual engagements.

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<sup>29</sup> See Annex 5.1.

## CONCLUSIONS

The main objectives are unequivocal: to give a specific content to our Dialogue, to encourage the ties between our two processes of regional integration and to actively stimulate trade and investment. If it is true that we can obtain these results through different ways, the history of our relations with ASEAN and the specific context of the region should incite us to choose an original and pragmatic formula. This formula would make the best use of the present institutions and would offer opportunities at all levels for an active reinforcement of our relations.

Consequently the Commission proposes the launching of a "New Dynamic" modelled on the second option of Section IV. The first stage could be the adoption of a common Declaration at the next ASEAN-EU Ministerial Meeting, planned for February 1997. This declaration should contain all the elements of a core of initiatives to be developed within an Action Plan which will itself be drawn up by high-level experts from both parties. The regional objectives should be integrated, Europe thus asserting its confidence in the on-going process within ASEAN as regards its reinforcement as much as its enlargement.

It is vital that we rapidly progress towards the establishment of our privileged relationship with ASEAN within the framework of ASEM and make sure that it contributes to the latter's defined purposes. The EU-ASEAN axis can be a motor of the new Europe-Asia dialogue. The disclosure of the Eminent Person's Group report will permit us to rapidly enter consultations with our ASEAN partners.

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## **Annex 1 - ASEAN Indicators:**

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**1.7. Intra-Regional Imports of CEPT Products**

### 1.1. GENERAL STATISTICAL INDICATORS FOR ASEAN

Indicators	Brunei	Indonesia	Malaysia	Phillipines	Singapore	Thailand	Vietnam
<b>Basic (1995)</b>							
Population (millions)	0.3	194	20	69	3	60	74
Area (1.000km <sup>2</sup> )	6	1,905	330	300	1	513	332
<b>Economic (1994)</b>							
Gross Domestic Product (billion US\$)	4	143	64	54	55	124	13
GDP per capita (US\$)	13,822	763	3,386	817	19,213	2,103	170
GDP annual growth in % (1995)	2.0	7.2	8.5	5.2	8.9	8.6	8
Total Merchandise Exports (million US\$)	2,682	40,053	58,754	13,483	96,749	45,167	3,400
Total Merchandise Imports (million US\$)	1,208	31,983	59,594	22,738	102,590	54,340	4,000
Total External Debt (billion US\$)	0.15	90.5	25	36.5	16.5	55	25
Foreign Direct Investment (US\$ million - 1993)	-	2,004	4,351	763	6,829	1,621	300
<b>Population</b>							
Growth rate (annual average 1990-95)	2.1	1.6	2.4	2.1	1.0	1.1	2.2
Labour force (% of total)	-	43	38	56	65	56	49

Sources: CHELEM, *La Découverte: L'Etat du Monde 1996*; ASEAN Secretariat

## 1.2. INTRA-ASEAN EXPORTS (ALL PRODUCTS) (US\$ MILLIONS)

Country	1994	1995	Growth
Brunei	467.52	233.41	-50.08%
Indonesia	5,787.97	6,334.00	9.43%
Malaysia*	15,002.15	18,429.01	22.84%
Philippines	1,425.12	2,361.32	65.69%
Singapore	28,806.68	33,095.20	14.89%
Thailand**	7,991.37	8,894.08	11.30%
Vietnam***	794.70	685.93	
<b>TOTAL</b>	<b>60,275.52</b>	<b>70,032.94</b>	<b>16.19%</b>

## 1.3. INTRA-ASEAN EXPORTS (CEPT PRODUCTS) (US\$ MILLIONS)

Country	1994	1995	Growth
Brunei	467.70	230.29	-50.44%
Indonesia	5,157.25	5,600.86	8.60%
Malaysia*	13,036.18	16,000.08	22.74%
Philippines	1,184.87	2,091.47	76.51%
Singapore	25,467.56	29,495.46	15.82%
Thailand**	3,743.58	5,905.98	57.76%
Vietnam***	n.a.	n.a.	
<b>TOTAL</b>	<b>49,054.14</b>	<b>59,324.14</b>	<b>20.94%</b>

Legend:

\* Malaysia is missing 4th quarter exports to Thailand and Vietnam.

\*\* Thailand is missing 1995 exports to Vietnam and 4th quarter exports to Malaysia.

\*\*\* Vietnam is missing 1995 exports to Thailand and 4th quarter exports to Malaysia.

Source: The ASEAN Secretariat

#### 1.4. GROWTH IN INTRA-ASEAN EXPORTS, 1994-95 (US\$ MILLIONS)

Country	1994	1995	Increase
Brunei	467.52	233.41	(234.11)
Indonesia	5,787.97	6,334.00	546.03
Malaysia*	15,002.15	18,429.01	3,426.87
Philippines	1,425.12	2,361.32	936.19
Singapore	28,806.68	33,095.20	4,288.51
Thailand**	7,991.37	8,894.08	902.70
Vietnam***	794.70	685.93	(108.77)
<b>TOTAL</b>	<b>60,275.52</b>	<b>70,032.94</b>	<b>9,757.42</b>

#### 1.5. GROWTH IN INTRA-ASEAN CEPT EXPORTS, 1994-95 (US\$ MILLIONS)

Country	1994	1995	Growth
Brunei	467.70	230.29	(234.41)
Indonesia	5,157.25	5,600.86	443.62
Malaysia*	13,036.18	16,000.08	2,963.90
Philippines	1,184.87	2,091.47	906.60
Singapore	25,467.56	29,495.46	4,027.90
Thailand**	3,743.58	5,905.98	2,162.40
Vietnam***	n.a.	n.a.	
<b>TOTAL</b>	<b>49,054.14</b>	<b>59,324.14</b>	<b>10,270.00</b>

Legend:

\* Malaysia is missing 4th quarter exports to Thailand and Vietnam.

\*\* Thailand is missing 1995 exports to Vietnam and 4th quarter exports to Malaysia.

\*\*\* Vietnam is missing 1995 exports to Thailand and 4th quarter exports to Malaysia.

Source: The ASEAN Secretariat

## 1.6. INTRA-REGIONAL EXPORTS OF CEPT PRODUCTS, 1993-94 (US\$ MILLIONS)

EXPORTS FROM	YEAR	EXPORTS TO					
		Brunei	Indonesia	Malaysia	Philippines	Singapore	Thailand
Brunei	1993		n.a.	n.a.	n.a.	n.a.	n.a.
	1994		0.44	37.0	28.3	197.9	200.7
	94/93%		n.a.	n.a.	n.a.	n.a.	n.a.
Indonesia	1993	22.5		459.9	260.1	3,046.2	430.5
	1994	39.4		599.6	319.3	3,722.0	333.0
	94/93%	75,6		20,9	22,8	22,2	(22,7)
Malaysia	1993	142.6	478.9		429.4	8,448.4	1,632.1
	1994	185.7	604.6		535.5	9,581.7	2,014.5
	94/93%	30,2	26,2		24,7	13,4	23,4
Philippines	1993	1.2	28.7	124.6		302.2	129.2
	1994	2.2	43.6	166.3		618.7	296.4
	94/93%	83,3	52,2	33,5		104,7	129,4
Singapore	1993	548.4	n.a.	9,186.9	1,121.4		3,168.8
	1994	842.7	n.a.	19,484.1	1,425.3		5,249.4
	94/93%	44,1	n.a.	112,1	27,1		65,7
Thailand	1993	15.3	83.7	277.9	62.5	2,359.4	
	1994	18.1	135.0	316.0	74.8	2,740.8	
	94/93%	18,4	61,4	13,7	19,7	16,2	
TOTAL	1993	32,833.0					
	1994	49,813.0					
	94/93%	51.7					

CEPT exports accounted for 81,4% of total intra-ASEAN exports in 1994 and 84,7% in 1995.

Source: The ASEAN Secretariat

## 1.7. INTRA-REGIONAL IMPORTS OF CEPT PRODUCTS, 1993-94 (US\$ MILLIONS)

IMPORTS TO	YEAR	IMPORTS FROM					
		Brunei	Indonesia	Malaysia	Philippines	Singapore	Thailand
Brunei	1993		n.a.	n.a.	n.a.	n.a.	n.a.
	1994		53.7	224.7	2.4	575.2	60.3
	94/93%		n.a.	n.a.	n.a.	n.a.	n.a.
Indonesia	1993	0.6		411.3	41.7	1,543.3	148.8
	1994	0.2		489.1	54.7	1,630.9	231.5
	94/93%	(67,13)		18,9	30,9	5,7	55,6
Malaysia	1993	1.7	441.3		200.3	5,469.3	789.0
	1994	28.2	627.5		303.4	6,799.0	1,131.4
	94/93%	1,559.3	42,2		51,5	24,3	43,4
Philippines	1993	0.1	211.9	167.0		634.7	86.9
	1994	0.5	245.6	237.6		794.7	129.6
	94/93%	352.5	15,9	42,3		25,2	49,2
Singapore	1993	215.8	n.a.	13,629.1	493.0		3,448.2
	1994	250.5	n.a.	19,106.2	882.8		5,629.4
	94/93%	16,1	n.a.	40,2	79,1		63,3
Thailand	1993	216.6	269.2	891.2	94.9	935.8	
	1994	149.7	231.8	1,499.8	186.1	1,212.9	
	94/93%	(30,9)	(13,9)	68,3	96,0	29,6	
TOTAL	1993	30,341.9					
	1994	42,769.2					
	94/93%	41.0					

Source: The ASEAN Secretariat

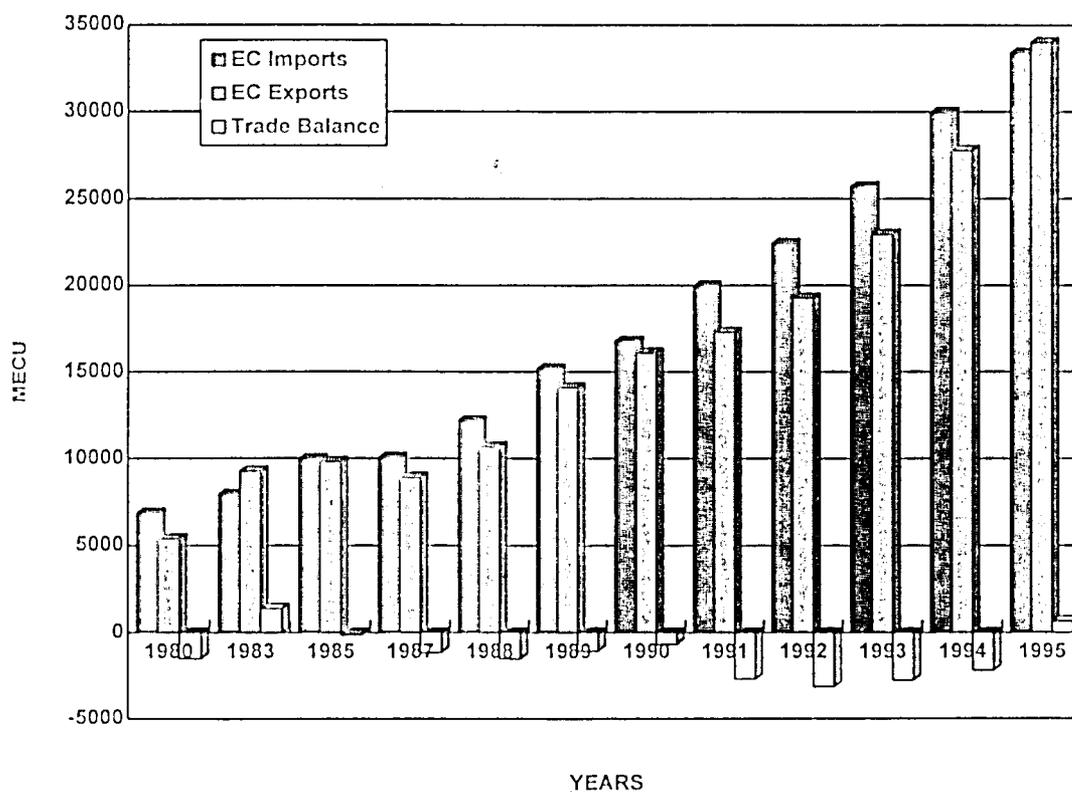
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- 2.7. EU12 Trade Balance with the ASEAN countries**
- 2.8. EU Imports from ASEAN countries 1995**
- 2.9. EU Exports to the ASEAN countries 1995**
- 2.10. EU Trade Balance with the ASEAN countries 1995**
- 2.11. EU Imports from ASEAN countries by Member States**
- 2.12. EU Exports to the ASEAN countries by Member States**
- 2.13. EU Trade Balance with the ASEAN countries by Member States**

## 2.1. EU TRADE WITH ASEAN

Figures in MECU

	1980	1983	1985	1987	1988	1989	1990	1991	1992	1993	1994	1995
EC Imports	6,857	7,917	9,972	10,037	12,203	15,173	16,748	19,947	22,403	25,667	29,940	33,355
EC Exports	5,369	9,269	9,810	8,906	10,689	14,110	16,083	17,282	19,278	22,920	27,759	33,991
Trade Balance	-1,488	1,350	-162	-1,131	-1,514	-1,063	-665	-2,665	-3,125	-2,747	-2,181	636



Source: EUROSTAT

## 2.2. Imports from ASEAN by Major Sector

Breakdown by Sector	1980			1988			1994		
	EU	US	Japan	EU	US	Japan	EU	US	Japan
Food and live animals	1,296.05	724.54	907.85	2,254.95	1,093.89	1,942.28	2,539.56	2,523.09	4,561.66
Beverages and tobacco	106.34	18.72	13.01	99.61	19.85	30.27	106.92	58.87	38.37
Crude materials	1,555.57	755.83	3,684.46	1,629.45	821.21	3,402.21	1,614.16	1,101.03	3,714.42
Oils, fats and waxes	447.26	278.61	93.68	625.96	302.08	129.96	1,090.02	363.06	256.86
Primary goods	3,405.22	1,777.70	4,699.00	4,609.97	2,237.03	5,504.72	5,350.66	4,046.05	8,571.31
Fuel products	220.15	4107.80	11,814.8	38.76	1,203.71	7,423.67	243.65	961.01	9,034.83
Chemicals	35.15	28.10	131.53	135.50	195.29	315.36	511.73	777.14	729.82
Classified by material	951.28	754.82	566.39	1,492.41	1,171.65	1,500.46	3,070.43	2,198.89	3,247.01
Machinery and transport	770.00	2,045.39	157.79	3,195.84	7,513.11	599.20	13,171.3	26,754.2	6560.49
Miscellaneous	690.76	651.67	105.58	2,513.46	3,151.96	432.23	6,986.12	9,913.70	2,973.00
Manufactured goods	2,447.19	3,479.98	961.29	7,337.21	12,032.0	2,847.25	24,345.8	40,361.4	14,210.1
Other goods	784.70	148.49	93.21	216.79	279.62	354.48	606.24	717.41	699.75
Total	6,857.2	9,514.0	17,568.3	12,202.7	15,752.4	16,130.1	29,940.2	45,368.4	31,816.2
1995 Totals							33,354.3	49,105.1	36,903.3

Figures in MECU (Source : Eurostat/Comtrade)

### 2.3. Exports to ASEAN by Major Sector

Breakdown by Sector	1980			1988			1994		
	EU	US	Japan	EU	US	Japan	EU	US	Japan
Food and live animals	180.61	465.46	140.15	389.94	431.64	156.10	721.60	937.25	236.43
Beverages and tobacco	106.29	118.13	1.57	233.12	144.89	5.34	409.23	302.80	28.11
Crude materials	25.57	348.56	120.55	137.86	407.30	141.50	348.64	1,037.68	348.53
Oils, fats and waxes	9.72	7.46	14.57	37.99	9.84	11.16	31.38	20.84	7.08
<b>Primary goods</b>	<b>322.19</b>	<b>939.61</b>	<b>276.84</b>	<b>798.91</b>	<b>993.67</b>	<b>314.10</b>	<b>1,510.85</b>	<b>2,334.57</b>	<b>620.15</b>
<b>Fuel products</b>	<b>48.90</b>	<b>128.13</b>	<b>39.60</b>	<b>47.60</b>	<b>95.81</b>	<b>75.92</b>	<b>365.54</b>	<b>508.90</b>	<b>327.97</b>
Chemicals	680.58	745.72	812.35	1,533.98	920.46	1,227.27	3,177.12	2,204.00	3,391.42
Classified by material	677.67	373.14	2,733.38	1,516.85	519.93	3,022.14	3,706.17	1,408.73	7,017.01
Machinery and transport	2,851.31	3,826.02	5,034.11	4,769.13	5,520.55	9,591.23	15,288.5	17,243.5	35,505.9
Miscellaneous	325.27	264.75	425.02	1,010.68	663.00	806.41	2,629.71	2,315.12	2,842.50
<b>Manufactured goods</b>	<b>4,534.83</b>	<b>5,209.63</b>	<b>9,004.86</b>	<b>8,830.64</b>	<b>7,623.94</b>	<b>14,647.1</b>	<b>24,801.5</b>	<b>22,991.3</b>	<b>48,756.8</b>
<b>Other goods</b>	<b>463.56</b>	<b>45.72</b>	<b>100.11</b>	<b>1,011.15</b>	<b>255.16</b>	<b>328.23</b>	<b>1081.26</b>	<b>821.69</b>	<b>978.95</b>
<b>Total</b>	<b>5,369.37</b>	<b>6,323.09</b>	<b>9,421.41</b>	<b>10,688.3</b>	<b>8,968.58</b>	<b>15,365.3</b>	<b>27,759.1</b>	<b>26,863.5</b>	<b>50,683.9</b>
<b>1995 Totals</b>							<b>33,988.7</b>	<b>29,893.5</b>	<b>59,363.6</b>

Figures in MECU (Source : Eurostat/Comtrade)

## 2.4. Trade Balance with ASEAN by Major Sector

Breakdown by Sector	1980			1988			1994		
	EU	US	Japan	EU	US	Japan	EU	US	Japan
Food and live animals	-1,115.44	-259.08	-767.70	-1,865.01	-662.25	-1,786.18	-1,817.96	-1,549.85	-4,325.25
Beverages and tobacco	-05	99.41	-11.44	133.51	125.04	-24.93	302.31	243.93	-10.26
Crude materials	-1,530.00	-407.27	-3,563.91	-1,491.59	-413.91	-3,260.71	-1,265.52	-63.35	-3,365.89
Oils, fats and waxes	-437.54	-271.15	-79.11	-587.97	-292.24	-118.80	-1,058.64	-342.22	-249.79
Primary goods	-3,083.03	-838.09	-4,422.16	-3,811.06	-1,243.36	-5,190.62	-3,839.81	-1,711.49	-7,951.17
Fuel products	-171.25	-3,979.67	-11,775.2	8.84	-1,107.90	-7,347.75	121.89	-452.11	-8,706.85
Chemicals	645.43	717.62	680.82	1,398.48	725.17	911.91	2,665.39	1,426.85	2,661.61
Classified by material	-273.61	-381.68	2,166.99	24.44	-651.72	1,521.68	635.74	-790.16	3,769.99
Machinery and transport	2,081.31	1,780.63	4,876.32	1,573.29	-1,992.56	8,992.03	2,117.19	-9,510.78	28,945.36
Miscellaneous	-365.49	-386.92	319.44	-1,502.78	-2,488.96	374.18	-4,356.41	-7,598.58	-130.49
Manufactured goods	2,087.64	1,729.65	8,043.57	1,493.43	-4,408.07	11,799.80	1,061.91	-16,472.7	35,246.47
Other goods	-321.14	-102.77	6.90	794.36	-24.46	-26.25	475.02	104.28	279.20
<b>Total</b>	<b>-1,487.84</b>	<b>-3,190.88</b>	<b>-8,146.87</b>	<b>-1,514.43</b>	<b>-6,783.79</b>	<b>-764.82</b>	<b>-2,180.99</b>	<b>-18,532.0</b>	<b>18,867.65</b>
<b>1995 Totals</b>							<b>845.9</b>	<b>-19,211.8</b>	<b>22,460.3</b>

Figures in MECU (Source : Eurostat/Comtrade)

## 2.5. EU12 IMPORTS FROM THE ASEAN COUNTRIES (THOUSANDS ECU)

	1990	1991	1992	1993	1994	1995
...	3.914.208	5.103.681	5.148.022	5.531.003	6.263.562	6.377.369
...ils (0-4)	1.370.048	1.694.921	1.552.286	1.471.692	1.601.099	1.400.236
Food & live animals ( 0 )	1.198.077	1.484.292	1.353.975	1.272.009	1.328.621	1.031.961
Beverages and tobacco (1)	30.436	40.154	43.022	37.323	36.310	26.962
Crude materials, except fuels(2)	140.047	170.191	154.437	162.063	235.724	339.977
Mineral fuels(3)	3	0	661	5	5	67
Animal & veg oils, fats & waxes(4)	1.485	284	191	292	439	1.268
...ucts (5-8)	2.514.866	3.310.200	3.533.004	3.976.139	4.535.717	4.793.677
Chemicals (5)	15.359	22.733	28.605	32.385	45.067	53.308
Manuf. goods(6)	637.709	689.487	678.432	719.795	885.874	951.934
Machinery & transport equip.(7)	537.041	797.716	959.422	1.297.937	1.592.237	2.007.936
Misce. manuf. goods(8)	1.324.757	1.800.264	1.866.546	1.926.022	2.012.539	1.780.499
...assified goods (9)	29.294	98.560	62.732	83.171	126.745	183.456

	1990	1991	1992	1993	1994	1995
...	82.993	172.178	319.505	544.143	857.909	1.112.895
...ils (0-4)	47.598	73.612	86.454	87.868	195.294	283.242
Food & live animals ( 0 )	37.875	48.379	48.463	59.936	155.604	244.249
Beverages and tobacco (1)	0	19	27	32	218	96
Crude materials, except fuels(2)	6.728	5.332	7.332	5.834	10.151	21.395
Mineral fuels(3)	2.977	19.868	30.458	22.063	29.283	17.428
Animal & veg oils, fats & waxes(4)	19	14	173	4	38	75
...ucts (5-8)	35.195	98.112	231.781	455.648	660.555	826.624
Chemicals (5)	1.424	902	2.183	2.472	4.820	6.616
Manuf. goods(6)	7.093	15.843	23.883	39.378	58.519	63.969
Machinery & transport equip.(7)	535	1.304	7.285	25.828	14.717	7.317
Misce. manuf. goods(8)	26.143	80.063	198.431	387.970	582.499	748.722
...assified goods (9)	200	454	1.270	626	2.060	3.028

	1990	1991	1992	1993	1994	1995
...	2.864.616	3.579.828	4.343.078	5.032.085	5.857.146	5.946.805
...ils (0-4)	1.254.355	1.211.921	1.351.163	1.546.580	1.985.065	1.940.335
Food & live animals ( 0 )	517.383	539.642	487.855	540.395	608.947	505.450
Beverages and tobacco (1)	66.842	78.683	76.581	56.097	52.392	57.010
Crude materials, except fuels(2)	340.257	298.583	296.045	378.622	520.570	585.152
Mineral fuels(3)	95.810	35.433	141.121	183.408	242.614	187.472
Animal & veg oils, fats & waxes(4)	234.062	259.580	349.560	388.057	560.542	605.250
...ucts (5-8)	1.599.271	2.349.447	2.973.313	3.438.047	3.860.014	3.978.418
Chemicals (5)	35.659	49.337	68.143	65.688	91.920	110.123
Manuf. goods(6)	729.740	899.363	1.072.590	1.147.041	1.262.749	1.316.777
Machinery & transport equip.(7)	73.362	89.537	221.764	363.102	409.853	416.831
Misce. manuf. goods(8)	760.510	1.311.209	1.610.815	1.862.216	2.095.491	2.134.687
...assified goods (9)	10.991	18.460	18.602	47.458	12.067	28.053

<b>MALAYSIA</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	3.607.554	4.383.214	4.939.649	6.227.465	7.488.496	8.871.560
<b>Raw Materials (0-4)</b>	1.354.506	1.241.417	1.270.674	1.291.408	1.371.637	1.393.086
Food & live animals ( 0 )	266.156	260.461	265.102	258.323	288.201	276.341
Beverages and tobacco (1)	441	749	557	1.707	802	1.820
Crude materials, except fuels(2)	630.558	707.100	696.383	725.305	692.202	715.543
Mineral fuels(3)	18.892	0	15	2.523	6.030	11.320
Animal & veg oils, fats & waxes(4)	238.459	273.106	308.617	303.550	384.402	388.062
<b>Manuf. products (5-8)</b>	2.202.571	3.085.541	3.573.264	4.849.056	6.055.158	7.308.193
Chemicals (5)	37.255	59.045	64.604	76.752	128.201	187.458
Manuf. goods(6)	350.934	404.411	449.018	471.657	563.596	585.382
Machinery & transport equip.(7)	1.160.243	1.718.061	2.034.408	3.188.728	4.210.574	5.398.532
Misc. manuf. goods(8)	654.139	904.026	1.025.234	1.111.919	1.152.788	1.136.821
<b>Other not classified goods (9)</b>	50.477	56.256	95.711	87.002	61.701	170.282

<b>BRUNEI</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	222.837	281.595	221.592	397.240	313.918	262.748
<b>Raw Materials (0-4)</b>	314	405	789	244	138	41
Food & live animals ( 0 )	80	136	284	116	88	35
Beverages and tobacco (1)	35	24	6	40	3	5
Crude materials, except fuels(2)	199	155	494	87	38	0
Mineral fuels(3)	0	0	0	0	0	0
Animal & veg oils, fats & waxes(4)	0	90	4	0	10	2
<b>Manuf. products (5-8)</b>	221.813	277.182	204.870	378.357	308.771	257.690
Chemicals (5)	71	63	61	121	1	46
Manuf. goods(6)	4.095	201	555	386	436	189
Machinery & transport equip.(7)	7.834	73.643	49.556	8.909	30.793	117.413
Misc. manuf. goods(8)	209.813	203.275	154.699	368.941	277.541	140.043
<b>Other not classified goods (9)</b>	710	4.008	15.933	18.640	5.008	5.017

<b>SINGAPORE</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	4.685.499	5.220.210	5.651.191	6.439.967	7.752.602	8.440.792
<b>Raw Materials (0-4)</b>	179.117	175.896	168.784	171.302	193.293	214.508
Food & live animals ( 0 )	65.558	75.650	84.212	90.636	97.423	91.343
Beverages and tobacco (1)	2.677	2.156	2.491	3.168	3.112	6.199
Crude materials, except fuels(2)	108.330	77.486	68.808	69.916	83.047	111.392
Mineral fuels(3)	166	17.556	5.318	2.115	4.892	888
Animal & veg oils, fats & waxes(4)	2.386	3.048	7.955	5.467	4.819	4.686
<b>Manuf. products (5-8)</b>	4.438.554	4.982.731	5.401.368	6.162.745	7.368.227	7.889.124
Chemicals (5)	137.465	190.921	192.141	173.428	184.294	298.400
Manuf. goods(6)	184.798	196.362	204.690	200.571	203.965	230.059
Machinery & transport equip.(7)	3.481.135	3.871.480	4.209.403	5.138.428	6.221.875	6.546.434
Misc. manuf. goods(8)	635.156	723.968	795.135	650.318	758.092	814.231
<b>Other not classified goods (9)</b>	67.828	61.583	81.039	105.921	191.082	337.160

IES	1990	1991	1992	1993	1994	1995
	1.257.650	1.472.714	1.607.892	1.909.893	2.101.598	2.342.110
Materials (0-4)	397.963	384.771	383.293	397.848	426.336	506.731
Food & live animals (0)	158.251	179.446	182.973	159.480	152.272	142.045
Beverages and tobacco (1)	15.913	17.505	17.419	18.730	14.352	12.830
Crude materials, except fuels(2)	83.989	62.162	65.695	72.432	85.324	99.360
Mineral fuels(3)	0	2	223	463	2.405	161
Animal & veg oils, fats & waxes(4)	139.810	125.656	116.983	146.743	171.984	252.335
Products (5-8)	820.005	1.045.346	1.146.137	1.370.199	1.464.773	1.615.784
Chemicals (5)	15.817	12.783	10.116	10.554	16.753	20.794
Manuf. goods(6)	123.354	153.365	145.038	143.878	130.078	122.421
Machinery & transport equip.(7)	210.125	274.940	405.249	572.497	662.448	855.286
Misce. manuf. goods(8)	470.709	604.259	585.734	643.269	655.494	617.284
Non-classified goods (9)	39.682	42.597	78.462	141.846	210.489	219.595

Source : Eurostat

**2.6. EU12 EXPORTS TO THE ASEAN COUNTRIES (THOUSANDS ECU)**

<b>THAILAND</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	3.409.261	3.816.594	3.913.451	5.042.718	6.103.940	
<b>Raw Materials (0-4)</b>	282.469	302.035	332.060	421.512	452.197	
Food & live animals ( 0 )	113.715	135.454	164.037	186.543	221.835	
Beverages and tobacco (1)	122.418	110.935	107.606	132.698	117.182	
Crude materials, except fuels(2)	30.621	45.455	47.549	60.754	92.785	
Mineral fuels(3)	9.465	5.784	8.918	36.072	13.882	
Animal & veg oils, fats & waxes(4)	6.249	4.407	3.950	5.445	6.513	
<b>Manuf. products (5-8)</b>	2.916.610	3.226.613	3.382.756	4.383.777	5.414.893	
Chemicals (5)	446.832	452.109	535.604	624.142	718.594	
Manuf. goods(6)	630.981	742.686	678.988	925.498	1.052.491	
Machinery & transport equip.(7)	1.693.044	1.879.612	1.945.080	2.600.740	3.248.210	
Misc. manuf. goods(8)	145.752	152.207	223.085	233.397	395.598	
<b>Other not classified goods (9)</b>	210.182	287.946	198.635	237.428	236.850	

<b>VIETNAM</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	127.713	184.994	300.993	487.322	616.018	
<b>Raw Materials (0-4)</b>	31.173	22.268	37.229	39.655	56.034	
Food & live animals ( 0 )	21.133	19.811	32.512	33.050	45.437	60.518
Beverages and tobacco (1)	4.393	1.420	2.108	2.941	3.903	4.373
Crude materials, except fuels(2)	142	705	2.072	2.613	5.716	6.925
Mineral fuels(3)	5.400	218	273	732	874	2.706
Animal & veg oils, fats & waxes(4)	106	114	263	319	105	430
<b>Manuf. products (5-8)</b>	94.143	160.117	259.447	441.671	547.977	614.976
Chemicals (5)	35.611	44.124	53.270	79.438	117.509	147.229
Manuf. goods(6)	5.575	19.897	31.106	55.009	79.079	98.624
Machinery & transport equip.(7)	45.682	87.160	162.878	283.084	323.140	326.707
Misc. manuf. goods(8)	7.275	8.936	12.193	24.140	28.248	42.417
<b>Other not classified goods (9)</b>	2.397	2.609	4.316	5.996	12.007	20.795

<b>INDONESIA</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	2.837.070	3.201.876	4.053.728	4.144.538	4.314.431	5.316.493
<b>Raw Materials (0-4)</b>	111.074	144.319	195.269	422.070	360.449	431.326
Food & live animals ( 0 )	42.512	63.610	87.096	92.315	77.751	149.136
Beverages and tobacco (1)	7.573	7.251	9.911	9.601	12.143	11.124
Crude materials, except fuels(2)	42.284	63.608	54.828	162.901	142.016	219.874
Mineral fuels(3)	15.683	7.253	40.853	153.810	123.269	45.495
Animal & veg oils, fats & waxes(4)	3.021	2.596	2.581	3.444	5.270	5.696
<b>Manuf. products (5-8)</b>	2.571.421	2.923.622	3.602.306	3.585.701	3.750.937	4.579.865
Chemicals (5)	426.194	406.484	479.032	586.220	697.476	756.347
Manuf. goods(6)	331.833	370.349	463.778	448.031	458.129	516.624
Machinery & transport equip.(7)	1.703.232	2.020.562	2.501.425	2.394.770	2.447.308	3.122.155
Misc. manuf. goods(8)	110.162	126.226	158.071	156.680	148.024	184.738
<b>Other not classified goods (9)</b>	154.575	133.936	256.153	136.767	203.045	305.303

	1990	1991	1992	1993	1994	1995
	2,495.577	2,940.505	3,103.616	3,985.301	5,772.374	7,361.700
als (0-4)	179.188	231.971	224.653	311.276	273.299	340.810
Food & live animals ( 0 )	74.135	90.012	95.574	118.675	120.519	163.919
Beverages and tobacco (1)	53.666	66.922	56.200	62.052	63.270	72.337
Crude materials, except fuels(2)	42.993	62.865	62.595	116.382	68.152	89.745
Mineral fuels(3)	7.097	6.531	8.765	10.691	13.357	10.040
Animal & veg oils, fats & waxes(4)	1.297	5.642	1.519	3.476	8.001	4.769
ducts (5-8)	2,087.912	2,601.878	2,766.601	3,536.634	5,182.020	6,692.941
Chemicals (5)	262.661	283.895	335.526	351.135	438.326	431.046
Manuf. goods(6)	358.322	431.476	396.921	517.816	657.979	760.031
Machinery & transport equip.(7)	1,330.041	1,724.860	1,809.763	2,448.717	3,762.152	5,180.407
Misce. manuf. goods(8)	136.888	161.647	224.392	218.965	323.564	321.457
classified goods (9)	228.478	106.656	112.362	137.391	317.055	327.950

	1990	1991	1992	1993	1994	1995
	380.074	519.443	418.575	589.294	785.797	614.586
ials (0-4)	5.093	4.180	5.079	4.932	6.391	10.223
Food & live animals ( 0 )	2.992	2.796	3.801	3.434	4.800	8.399
Beverages and tobacco (1)	1.516	410	843	532	966	1.187
Crude materials, except fuels(2)	555	920	432	948	597	557
Mineral fuels(3)	10	55	3	14	19	72
Animal & veg oils, fats & waxes(4)	20	0	0	4	8	8
ducts (5-8)	356.681	498.465	392.249	566.776	761.263	590.557
Chemicals (5)	3.740	3.554	4.817	3.932	5.316	4.715
Manuf. goods(6)	18.991	25.253	33.269	31.408	34.280	29.370
Machinery & transport equip.(7)	55.177	199.789	115.347	131.461	262.021	230.039
Misce. manuf. goods(8)	278.771	269.868	238.816	399.976	459.647	326.433
classified goods (9)	18.301	16.798	21.247	17.586	18.143	13.805

	1990	1991	1992	1993	1994	1995
	5,682.464	5,684.599	6,348.902	7,682.448	8,871.220	10,129.896
ials (0-4)	415.805	408.981	451.335	690.468	608.937	637.292
Food & live animals ( 0 )	101.768	111.527	127.467	146.063	169.652	192.076
Beverages and tobacco (1)	199.635	205.909	227.647	223.468	167.963	215.286
Crude materials, except fuels(2)	26.295	34.587	27.152	33.717	28.944	28.655
Mineral fuels(3)	85.412	53.606	65.240	284.372	231.139	197.513
Animal & veg oils, fats & waxes(4)	2.694	3.352	3.830	2.849	11.239	3.761
ducts (5-8)	4,910.400	5,057.436	5,493.302	6,702.453	8,021.213	9,054.909
Chemicals (5)	642.356	663.616	715.157	848.605	1,033.925	1,103.082
Manuf. goods(6)	803.896	847.735	981.021	1,193.358	1,322.544	1,395.217
Machinery & transport equip.(7)	2,814.865	2,956.965	3,050.505	3,787.044	4,481.072	5,229.346
Misce. manuf. goods(8)	649.282	589.119	746.618	873.447	1,183.672	1,327.264
classified goods (9)	356.260	218.182	404.265	289.527	241.070	437.695

<b>PHILIPPINES</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	1.246.230	1.119.798	1.443.141	1.732.465	1.957.521	
<b>Raw Materials (0-4)</b>	141.185	136.512	178.555	148.170	201.874	
Food & live animals ( 0 )	102.266	93.617	130.053	94.040	127.982	
Beverages and tobacco (1)	20.189	25.301	33.835	30.987	47.442	
Crude materials, except fuels(2)	12.064	13.837	10.625	18.493	17.824	
Mineral fuels(3)	3.293	1.843	2.192	3.518	7.012	
Animal & veg oils, fats & waxes(4)	3.373	1.913	1.850	1.133	1.613	
<b>Manuf. products (5-8)</b>	1.034.487	930.500	1.202.791	1.528.349	1.684.264	
Chemicals (5)	184.834	177.955	213.871	241.507	286.670	
Manuf. goods(6)	117.824	122.408	141.963	158.484	174.773	
Machinery & transport equip.(7)	642.789	547.322	743.926	1.011.740	1.103.266	
Misc. manuf. goods(8)	89.040	82.815	103.031	116.618	119.556	
<b>Other not classified goods (9)</b>	70.558	52.787	61.796	55.945	71.383	103.581

Source : Eurostat

**2.7. EU12 TRADE BALANCE WITH THE ASEAN COUNTRIES (THOUSANDS ECU)**

<b>THAILAND</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
	-504.947	-1.287.086	-1.234.571	-488.285	-159.622	1.359.432
<b>Raw Materials (0-4)</b>	-1.087.578	-1.392.885	-1.220.226	-1.050.180	-1.148.902	-921.195
Food & live animals ( 0 )	-1.084.362	-1.348.838	-1.189.938	-1.085.466	-1.106.786	-788.123
Beverages and tobacco (1)	91.983	70.780	64.584	95.375	80.872	98.441
Crude materials, except fuels(2)	-109.426	-124.735	-106.888	-101.309	-142.939	-251.903
Mineral fuels(3)	9.462	5.784	8.257	36.067	13.877	13.742
Animal & veg oils, fats & waxes(4)	4.765	4.123	3.759	5.154	6.074	6.647
<b>Manuf. products (5-8)</b>	401.744	-83.586	-150.248	407.638	879.176	2.150.895
Chemicals (5)	431.473	429.376	506.999	591.757	673.527	732.506
Manuf. goods(6)	-6.728	53.199	556	205.703	166.617	226.328
Machinery & transport equip.(7)	1.156.003	1.081.896	985.658	1.302.803	1.655.973	2.585.520
Misc. manuf. goods(8)	-1.179.004	-1.648.058	-1.643.461	-1.692.625	-1.616.941	-1.393.460
<b>Other not classified goods (9)</b>	180.888	189.386	135.903	154.257	110.105	129.733

<b>VIETNAM</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	44.720	12.817	-18.512	-56.821	-241.891	-402.171
<b>Raw Materials (0-4)</b>	-16.424	-51.344	-49.225	-48.213	-139.260	-208.290
Food & live animals ( 0 )	-16.742	-28.568	-15.951	-26.885	-110.167	-183.730
Beverages and tobacco (1)	4.393	1.400	2.081	2.910	3.685	4.277
Crude materials, except fuels(2)	-6.585	-4.627	-5.260	-3.221	-4.436	-14.470
Mineral fuels(3)	2.423	-19.650	-30.185	-21.331	-28.409	-14.722
Animal & veg oils, fats & waxes(4)	87	100	90	315	67	356
<b>Manuf. products (5-8)</b>	58.948	62.005	27.666	-13.977	-112.578	-211.648
Chemicals (5)	34.187	43.221	51.088	76.965	112.689	140.613
Manuf. goods(6)	-1.518	4.054	7.223	15.631	20.560	34.654
Machinery & transport equip.(7)	45.147	85.857	155.594	257.256	308.423	319.389
Misc. manuf. goods(8)	-18.868	-71.127	-186.238	-363.830	-554.250	-706.305
<b>Other not classified goods (9)</b>	2.197	2.156	3.047	5.370	9.947	17.767

<b>INDONESIA</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	-27.546	-377.952	-289.349	-887.547	-1.542.714	-630.313
<b>Raw Materials (0-4)</b>	-1.143.280	-1.067.602	-1.155.893	-1.124.509	-1.624.616	-1.509.009
Food & live animals ( 0 )	-474.871	-476.032	-400.758	-448.080	-531.195	-356.315
Beverages and tobacco (1)	-59.269	-71.432	-66.671	-46.496	-40.249	-45.885
Crude materials, except fuels(2)	-297.973	-234.975	-241.217	-215.721	-378.555	-365.278
Mineral fuels(3)	-80.127	-28.179	-100.269	-29.599	-119.345	-141.978
Animal & veg oils, fats & waxes(4)	-231.041	-256.984	-346.979	-384.613	-555.272	-599.554
<b>Manuf. products (5-8)</b>	972.150	574.175	628.993	147.653	-109.076	601.447
Chemicals (5)	390.535	357.148	410.889	520.532	605.556	646.223
Manuf. goods(6)	-397.906	-529.015	-608.812	-699.010	-804.621	-800.153
Machinery & transport equip.(7)	1.629.870	1.931.025	2.279.661	2.031.668	2.037.456	2.705.325
Misc. manuf. goods(8)	-650.348	-1.184.983	-1.452.744	-1.705.536	-1.947.468	-1.949.948
<b>Other not classified goods (9)</b>	143.584	115.475	237.551	89.309	190.978	277.250

<b>MALAYSIA</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	-1.111.977	-1.442.709	-1.836.034	-2.242.164	-1.716.122	-1.509.860
<b>Raw Materials (0-4)</b>	-1.175.318	-1.009.446	-1.046.021	-980.132	-1.098.337	-1.052.275
Food & live animals ( 0 )	-192.021	-170.449	-169.528	-139.648	-167.682	-112.422
Beverages and tobacco (1)	53.224	66.173	55.643	60.346	62.468	70.517
Crude materials, except fuels(2)	-787.564	-644.236	-633.788	-608.923	-624.050	-625.798
Mineral fuels(3)	-11.795	6.530	8.750	8.168	7.328	-1.279
Animal & veg oils, fats & waxes(4)	-237.162	-267.464	-307.098	-300.074	-376.402	-383.292
<b>Manuf. products (5-8)</b>	-114.659	-483.663	-806.663	-1.312.422	-873.138	-615.252
Chemicals (5)	225.406	224.850	270.921	274.383	310.126	243.588
Manuf. goods(6)	7.388	27.065	-52.097	46.159	94.383	174.648
Machinery & transport equip.(7)	169.798	6.799	-224.645	-740.011	-448.423	-218.125
Misc. manuf. goods(8)	-517.251	-742.378	-800.842	-892.953	-829.224	-815.364
<b>Other not classified goods (9)</b>	178.001	50.400	16.650	50.389	255.353	157.668

<b>BRUNEI</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	157.237	237.848	196.982	192.054	471.879	351.837
<b>Raw Materials (0-4)</b>	4.779	3.775	4.291	4.689	6.252	10.182
Food & live animals ( 0 )	2.912	2.659	3.517	3.317	4.712	8.364
Beverages and tobacco (1)	1.481	386	837	493	963	1.181
Crude materials, except fuels(2)	356	765	-62	861	559	557
Mineral fuels(3)	10	55	3	14	19	72
Animal & veg oils, fats & waxes(4)	20	-90	-4	4	-2	7
<b>Manuf. products (5-8)</b>	134.868	221.283	187.378	188.420	452.492	332.867
Chemicals (5)	3.669	3.492	4.756	3.811	5.314	4.670
Manuf. goods(6)	14.897	25.051	32.714	31.022	33.844	29.181
Machinery & transport equip.(7)	47.343	126.146	65.791	122.552	231.228	112.627
Misc. manuf. goods(8)	68.959	66.593	84.117	31.035	182.106	186.390
<b>Other not classified goods (9)</b>	17.591	12.790	5.314	-1.054	13.135	8.788

<b>SINGAPORE</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>TOTAL</b>	996.965	464.389	697.711	1.242.481	1.118.618	1.689.104
<b>Raw Materials (0-4)</b>	236.688	233.086	282.552	519.167	415.644	422.784
Food & live animals ( 0 )	36.210	35.877	43.255	55.426	72.229	100.733
Beverages and tobacco (1)	196.958	203.753	225.155	220.300	164.851	209.088
Crude materials, except fuels(2)	-82.035	-42.899	-41.656	-36.199	-54.103	-82.737
Mineral fuels(3)	85.246	36.050	59.922	282.257	226.247	196.625
Animal & veg oils, fats & waxes(4)	308	305	-4.125	-2.618	6.419	-925
<b>Manuf. products (5-8)</b>	471.846	74.704	91.933	539.708	652.986	1.165.785
Chemicals (5)	504.891	472.695	523.017	675.176	849.630	804.681
Manuf. goods(6)	619.098	651.373	776.331	992.786	1.118.579	1.165.159
Machinery & transport equip.(7)	-666.269	-914.515	-1.158.897	-1.351.384	-1.740.804	-1.317.088
Misc. manuf. goods(8)	14.126	-134.849	-48.517	223.129	425.580	513.033
<b>Other not classified goods (9)</b>	288.432	156.599	323.226	183.606	49.988	100.535

VES	1990	1991	1992	1993	1994	1995
	-11.420	-352.916	-164.751	-177.428	-144.077	-223.635
Materials (0-4)	-256.778	-248.259	-204.738	-249.678	-224.463	-280.278
Food & live animals (0)	-55.985	-85.829	-52.920	-65.440	-24.289	3.946
Beverages and tobacco (1)	4.276	7.797	16.416	12.257	33.090	41.783
Crude materials, except fuels(2)	-71.925	-48.325	-55.069	-53.939	-67.500	-84.644
Mineral fuels(3)	3.293	1.841	1.968	3.054	4.607	9.205
Animal & veg oils, fats & waxes(4)	-136.438	-123.743	-115.133	-145.611	-170.371	-250.568
Products (5-8)	214.482	-114.847	56.653	158.151	219.492	172.656
Chemicals (5)	169.017	165.173	203.755	230.953	269.917	282.951
Manuf. goods(6)	-5.529	-30.957	-3.075	14.606	44.695	107.418
Machinery & transport equip.(7)	432.663	272.382	338.677	439.243	440.818	265.981
Misce. manuf. goods(8)	-381.669	-521.444	-482.703	-526.651	-535.938	-483.693
Classified goods (9)	30.876	10.189	-16.666	-85.901	-139.106	-116.013

Source : Eurostat

## 2.8. EU IMPORTS FROM ASEAN COUNTRIES 1995

	(thousands ecu)							
	Thailand	Vietnam	Indonesia	Malaysia	Brunei	Singapore	Philippines	ASEAN
<i>BLEU</i>	604.770	74.871	434.282	531.938	421	225.499	112.462	1.984.244
<i>Denmark</i>	136.455	15.236	138.939	113.457	42	45.002	27.153	476.284
<i>France</i>	837.979	216.263	578.238	918.199	108.169	1.291.415	216.842	4.167.105
<i>Germany</i>	1.471.917	422.524	1.414.353	2.204.796	938	1.839.984	760.722	8.115.234
<i>Greece</i>	50.018	3.737	63.705	45.559	45	49.463	8.974	221.502
<i>Ireland</i>	70.196	3.099	33.709	363.076	34	759.293	31.364	1.260.770
<i>Italy</i>	516.221	84.248	748.602	530.063	1.469	468.364	162.819	2.511.785
<i>Netherlan</i>	928.505	91.220	873.532	1.014.789	3.842	1.380.111	357.621	4.649.620
<i>Portugal</i>	87.832	6.361	41.969	70.907	69	36.232	7.675	251.045
<i>Spain</i>	352.860	55.449	467.761	322.761	10	165.526	64.543	1.428.911
<i>United Ki</i>	1.320.615	139.888	1.151.715	2.756.015	147.709	2.179.903	591.935	8.287.781
<i>EU12</i>	6.377.369	1.112.895	5.946.805	8.871.560	262.748	8.440.792	2.342.110	33.354.280

Source : Eurostat

## 2.9. EU EXPORTS TO THE ASEAN COUNTRIES 1995

	(thousands ecu)							
	Thailand	Vietnam	Indonesia	Malaysia	Brunei	Singapore	Philippines	ASEAN
<i>BLEU</i>	700.147	44.275	320.452	271.474	3.669	483.994	113.969	1.937.980
<i>Denmark</i>	178.222	25.807	80.017	83.001	4.902	160.039	44.894	576.882
<i>France</i>	1.333.883	259.461	799.268	1.825.414	155.928	1.435.330	290.479	6.099.763
<i>Germany</i>	2.871.300	181.396	2.097.411	2.185.923	94.074	2.801.496	744.360	10.975.960
<i>Greece</i>	14.164	1.029	41.508	3.083	14	23.041	10.249	93.088
<i>Ireland</i>	50.980	5.480	15.891	266.295	1.125	199.731	61.689	601.192
<i>Italy</i>	891.570	79.680	573.574	700.594	40.852	1.335.675	215.698	3.837.644
<i>Netherlan</i>	477.494	35.224	612.897	314.305	8.119	850.957	185.117	2.484.113
<i>Portugal</i>	27.638	625	462	26.139	0	61.335	5.079	121.277
<i>Spain</i>	188.481	7.794	150.726	140.922	786	357.252	52.538	898.499
<i>United Ki</i>	1.002.922	69.953	624.285	1.544.551	305.118	2.421.046	394.403	6.362.278
<i>EU12</i>	7.736.802	710.723	5.316.493	7.361.700	614.586	10.129.896	2.118.475	33.988.675

Source : Eurostat

## 2.10. EU TRADE BALANCE WITH THE ASEAN COUNTRIES 1995

	(thousands ecu)							
	Thailand	Vietnam	Indonesia	Malaysia	Brunei	Singapore	Philippines	ASEAN
<i>BLEU</i>	95.377	-30.596	-113.830	-260.465	3.248	258.495	1.507	-46.264
<i>Denmark</i>	41.767	10.571	-58.922	-30.456	4.860	115.036	17.741	100.598
<i>France</i>	495.904	43.198	221.031	907.215	47.759	143.915	73.637	1.932.658
<i>Germany</i>	1.399.383	-241.127	683.058	-18.873	93.136	961.512	-16.362	2.860.727
<i>Greece</i>	-35.854	-2.708	-22.197	-42.477	-32	-26.422	1.274	-128.414
<i>Ireland</i>	-19.216	2.381	-17.818	-96.781	1.091	-559.561	30.326	-659.579
<i>Italy</i>	375.349	-4.568	-175.028	170.531	39.383	867.312	52.880	1.325.859
<i>Netherlan</i>	-451.011	-55.996	-260.636	-700.484	4.278	-529.154	-172.504	-2.165.507
<i>Portugal</i>	-60.194	-5.736	-41.506	-44.768	-69	25.102	-2.596	-129.768
<i>Spain</i>	-164.380	-47.655	-317.035	-181.838	775	191.726	-12.005	-530.412
<i>United Ki</i>	-317.693	-69.935	-527.430	-1.211.464	157.409	241.143	-197.533	-1.925.503
<i>EU12</i>	1.359.432	-402.171	-630.313	-1.509.860	351.837	1.689.104	-223.635	634.395

Source : Eurostat

### 2.11. EU IMPORTS FROM ASEAN COUNTRIES BY MEMBER STATES

	1990	1991	1992	1993	1994	1995
<i>BLEU</i>	974.838	1.133.678	1.179.818	1.512.302	1.842.443	1.984.244
<i>Denmark</i>	374.031	374.516	397.798	470.510	528.764	476.284
<i>France</i>	2.122.600	2.507.781	2.805.368	3.227.577	3.622.733	4.167.105
<i>Germany</i>	4.605.199	5.853.035	6.460.487	7.310.859	8.264.450	8.115.234
<i>Greece</i>	90.490	160.850	172.948	191.907	210.687	221.502
<i>Ireland</i>	113.805	149.583	185.023	492.806	738.452	1.260.770
<i>Italy</i>	1.519.200	1.729.537	1.989.706	2.103.205	2.227.992	2.511.785
<i>Netherlands</i>	2.090.121	2.597.999	2.872.727	3.033.757	3.994.629	4.649.620
<i>Portugal</i>	177.824	185.631	197.626	218.944	232.881	251.045
<i>Spain</i>	731.601	1.015.671	1.152.718	979.922	1.272.461	1.428.911
<i>United Kingdom</i>	3.835.648	4.505.140	4.816.711	6.540.006	7.699.739	8.287.781
<i>EU12</i>	16.635.357	20.213.420	22.230.928	26.081.796	30.635.230	33.354.280

Source : Eurostat

### 2.12. EU EXPORTS TO THE ASEAN COUNTRIES BY MEMBER STATES

	1990	1991	1992	1993	1994	1995
<i>BLEU</i>	967.065	1.026.091	1.022.112	1.454.274	1.683.648	1.937.980
<i>Denmark</i>	347.722	329.753	454.171	464.318	515.395	576.882
<i>France</i>	2.502.867	2.804.137	3.531.229	3.789.197	4.242.117	6.099.763
<i>Germany</i>	5.204.690	6.052.952	6.117.621	7.233.290	9.197.800	10.975.960
<i>Greece</i>	29.252	36.362	29.336	48.436	67.298	93.088
<i>Ireland</i>	141.037	148.491	177.957	220.669	397.004	601.192
<i>Italy</i>	1.652.012	1.768.369	2.155.698	2.668.781	3.129.124	3.837.644
<i>Netherlands</i>	1.149.641	1.171.472	1.327.916	1.877.806	1.992.982	2.484.113
<i>Portugal</i>	36.804	44.579	47.297	57.738	76.027	121.277
<i>Spain</i>	335.932	344.027	472.502	638.844	689.541	898.499
<i>United Kingdom</i>	3.811.368	3.741.576	4.246.566	5.210.733	6.430.366	6.362.278
<i>EU12</i>	16.178.390	17.467.810	19.582.406	23.664.086	28.421.301	33.988.675

Source : Eurostat

### 2.13. EU TRADE BALANCE WITH THE ASEAN COUNTRIES BY MEMBER STATES

	1990	1991	1992	1993	1994	1995
<i>BLEU</i>	-7.773	-107.587	-157.706	-58.028	-158.795	-46.264
<i>Denmark</i>	-26.309	-44.763	56.373	-6.192	-13.369	100.598
<i>France</i>	380.267	296.356	725.861	561.619	619.384	1.932.659
<i>Germany</i>	599.492	199.917	-342.866	-77.570	933.349	2.860.729
<i>Greece</i>	-61.238	-124.488	-143.612	-143.470	-143.389	-128.414
<i>Ireland</i>	27.232	-1.091	-7.066	-272.137	-341.449	-659.578
<i>Italy</i>	132.812	38.832	165.992	565.576	901.132	1.325.859
<i>Netherlands</i>	-940.480	-1.426.526	-1.544.811	-1.155.952	-2.001.646	-2.165.507
<i>Portugal</i>	-141.020	-141.052	-150.329	-161.205	-156.854	-129.769
<i>Spain</i>	-395.670	-671.644	-680.216	-341.079	-582.919	-530.412
<i>United Kingdom</i>	-24.280	-763.563	-570.144	-1.329.273	-1.269.374	-1.714.040
<i>EU12</i>	-456.967	-2.745.610	-2.648.522	-2.417.710	-2.213.930	634.395

Source : Eurostat

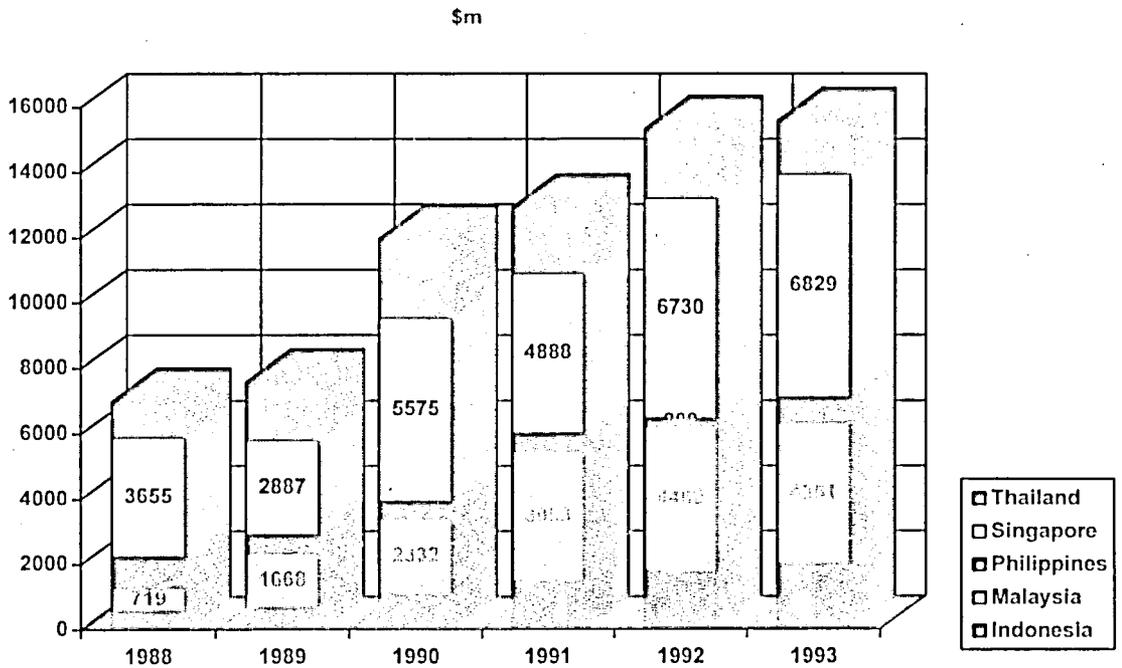
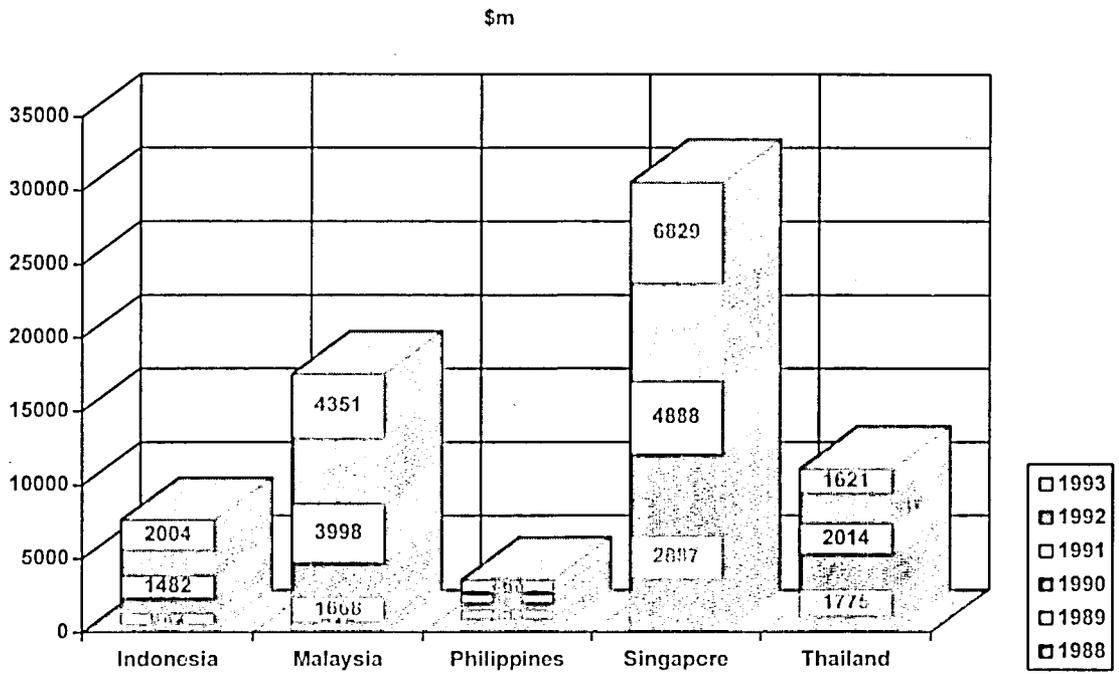
## **Annex 3 - EU-ASEAN Foreign Direct Investment Flows**

- 3.1. European Foreign Direct Investment in ASEAN**
- 3.2. Foreign Direct Investment Flows originating from ASEAN to the EU**

**3.1. EUROPEAN FOREIGN DIRECT INVESTMENT IN ASEAN (\$M)**

	1988	1989	1990	1991	1992	1993
Indonesia	576	682	1,093	1,482	1,777	2,004
Malaysia	719	1,668	2,332	3,998	4,469	4,351
Philippines	936	563	530	544	228	763
Singapore	3,655	2,887	5,575	4,888	6,730	6,829
Thailand	1,105	1,775	2,444	2,014	2,116	1,621

*Source: Asian Development Outlook 1995-96*



### 3.2. FOREIGN DIRECT INVESTMENT FLOWS ORIGINATING FROM ASEAN TO THE EU

#### Net Direct Equity Investment Outflows by main ASEAN Investors, 1994 (millions of US dollars)

	EU	World	EU share (%)
Singapore*	965	13,226	7,3
Malaysia	168,5	1907,2	8,8

\*Figures are for 1993

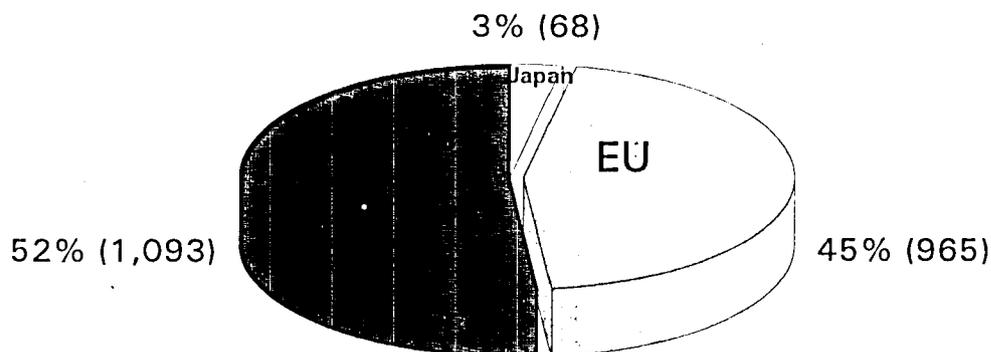
#### Malaysia's Foreign Direct Investment Flows, 1994 (millions of US dollars)

Countries	
World	1907,2
EU	168,5
United Kingdom	124,4
Germany	23,8
Ireland	9,4
Italy	2,8
Sweden	0,6
Belgium	0,1
Netherlands	2,1
France	4
Denmark	0,1
Greece	-
Portugal	-
Austria	-
Luxembourg	0,1
Spain	-
Finland	1
Others	1739,1

**Singapore's Direct Equity Investment Abroad by Country, 1993**  
(millions of US dollars)

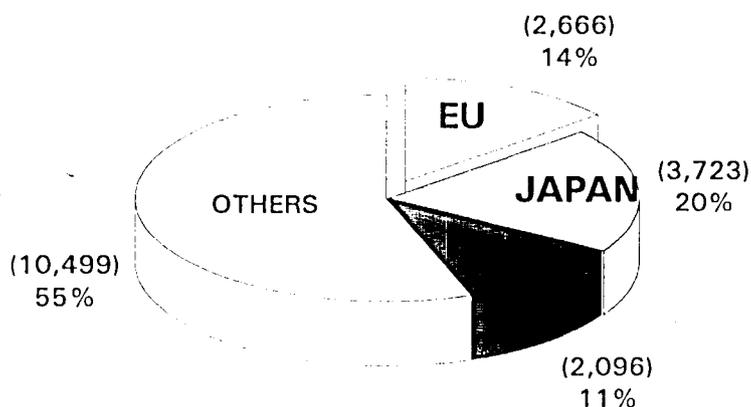
Countries	
World	13,226
EU	965
Netherlands	291
U K	225
Others	450
United States	1,093
Asia	7,149
Hong Kong	2,507
Japan	68
Ascan	3,695
Brunei	57
Indonesia	322
Malaysia	2,900
Philippines	144
Thailand	273

**Net Singaporean Direct Equity Investment to Triad Countries (EU, Japan and USA), 1993**  
(millions of US dollars)



**Foreign Direct Investment Flows from the EU to ASEAN\***  
(millions of US dollars)

Average FDI Flows 1990-93



source: UNCTAD, Division on Transnational Corporations and Investment, FDI database.

\*Brunei Darussalam and Vietnam are excluded

## **Annex 4 - The AFTA and APEC context:**

**4.1. Launching the AFTA process**

**4.2. The APEC context**

#### 4.1. LAUNCHING THE AFTA PROCESS

##### **ASEAN Free Trade Area (AFTA)**

The AFTA was formally charted following the Framework Agreement on Enhancing ASEAN Economic Cooperation signed in Singapore on 28 January 1992. AFTA emerged from the belief that preferential trading arrangements among ASEAN Member States would act as a stimulus to the strengthening of national and ASEAN economic resilience and to the development of the national economies of Member States by expanding investment and production opportunities as well as trade and foreign exchange earnings.

The ASEAN Economic Ministers' (AEM) body has established a ministerial-level AFTA Council comprising one nominee from each Member State and the Secretary-General of the ASEAN Secretariat. The central mechanism to implement the AFTA process is the Common Effective Preferential Tariff (CEPT). This scheme requires ASEAN members to reduce import tariffs within specific time limits for goods flowing across borders in ASEAN.

The CEPT is structured around four lists and two dates. The **Inclusion List** is the list supplied by each member state of goods which will follow the tariff reduction process. The starting point is that all manufactured products, including processed agricultural products, are included. In the 1992 agreement, unprocessed agricultural products were excluded from the CEPT scheme. However, the Chiang Mai meeting of ASEAN Economic Ministers (September 1994) decided to progressively include these unprocessed agricultural products in the CEPT, while allowing specific products to be included in a new **Sensitive List**, for which "special arrangements" would be created.

A **General Exception List** states the products which a country may exclude for reasons of national security, public morals, animal or plant life protection, and artistic or archaeological preservation. A **Temporary Exclusion List** includes the goods which member states consider too sensitive for immediate inclusion in the CEPT scheme. Products in the exclusion list cannot enjoy CEPT tariffs in the other ASEAN countries. The Chiang Mai meeting agreed to gradually transfer all products in the exclusion list to the inclusion list within five years. This decision was endorsed with a first transfer of 682 tariff lines from the exclusion list to the inclusion list at the 7th AFTA Council held in Brunei Darussalam in September 1995. Interestingly enough, this first transfer included mostly chemical products (organic, inorganic, plastics).

The implementation calendar for CEPT defines a **Normal Track Programme** and a **Fast Track Programme**. Deadlines are defined for each programme and Vietnam benefits from a three-year differential as compared with other ASEAN members.

**Normal Track Programme:** Products with tariffs above 20% will have their rates reduced to 20% by 1 January 1998 (2001 for Vietnam) and to a 0-5% range by 1 January 2003 (2006 for Vietnam). Products with tariff rates at or below 20% will have their rates reduced to a 0-5% range by 1 January 2000 (2003 for Vietnam).

**Fast Track Programme:** Products with tariffs above 20% will have their rates reduced to a 0-5% range by 1 January 2000 (2003 for Vietnam). Products with tariff

rates at or below 20% will have their rates reduced to a 0-5% range by 1 January 1998 (2001 for Vietnam). The programme covers fifteen groups of products identified for accelerated tariff reduction:

Vegetable Oils (HS 15)	Cement (HS 25)
Chemicals (HS 28, 29, 38)	Fertilisers (HS 31)
Pharmaceuticals (HS 30)	Plastics (HS 39)
Rubber Products (HS 40)	Pulp (HS 47)
Leather Products (HS 41, 42)	Textiles (HS 50, 63)
Ceramic and Glass (HS 69, 70)	Copper Cathodes (HS 74)
Gems and Jewellery (HS 71)	Electronics (HS 84, 85)
Wooden and Rattan Furniture (HS 95)	

The other areas covered by the CEPT scheme include:

- A 40% ASEAN content in value to enable the product to be eligible for the tariff concessions under the CEPT
- Gradual elimination of non-tariff barriers to trade and foreign investment, still at a very early stage of identification and policy formulation
- Harmonisation of standards, and reciprocal recognition of tests and certification of products
- Harmonisation of customs valuation systems (with a move to GATT Transaction Values by 2000) and customs procedures
- Formulation of common and simplified procedures which will emphasise, among others, the following:
  - a) Formalities prior to lodgement of goods declaration at the time of export;
  - b) Formalities prior to lodgement of goods declaration at the time of import;
  - c) Examination of goods;
  - d) Consignment where the certificate of origins are issued retroactively;
  - e) Refunds etc.

Further measures on border and non-border areas of cooperation may include, among others: macroeconomic consultations, rules for fair competition and promotion of venture capital.

## Analysis of AFTA

AFTA will not be a customs union, let alone a common market. Strong diverging national interests prevent the implementation of a compromise tariff ranging between low tariff rates (Singapore) and high tariff rates (Indonesia and others)\* . Further, the CEPT scheme contains "implants" of national safeguards and is ultimately a free trade programme with in-built national veto power. Thus, it must be concluded that, as of now, there is no irreversible commitment to a common ASEAN economic future.

The four large ASEAN countries all export similar key items, which means that there will be serious repercussions if the CEPT scheme becomes truly effective and parts of these industries in one or several countries may have to be sacrificed.

The expected effects of the free trade system on ASEAN trading patterns are by nature long-term and it will be some time before the practical relevance of AFTA to the economic development of the ASEAN countries can be assessed. In any event, the forces of free trade within ASEAN will have to fight a long uphill struggle against national resistance to basic structural adjustments, which will be even more difficult if, as envisaged, new members such as Myanmar and others are admitted.

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\* See Annex 6.

## 4.2. THE APEC CONTEXT

The Asia-Pacific Economic Cooperation (APEC) was formed in 1989 in response to growing interdependence among Asia-Pacific economies. As such, its main goal is to enhance the growth and development of the Asia-Pacific region by facilitating trade in goods, services, capitals and technology and by encouraging an "open regional co-operation" among its members. It is today composed of 18 member economies<sup>1</sup> which together account for 56% of the world's annual output and 46% of the global merchandise trade.

Ministerial Meetings are held annually since 1989. In addition, the United States launched, under its Chairmanship of APEC in 1993, the idea of holding Informal Economic Leaders' Meetings. Three have been held since: in Blake Island, Seattle (1993), in Bogor, Indonesia (1994) and in Osaka, Japan (1995). As proof of the importance of ASEAN within the APEC process, it should be noted that, although APEC is composed of 18 members, each of the 6 ASEAN member countries is entitled to chair APEC every alternate year (1992, 1994, 1996 etc.).

Institutionally, the Senior Official Meetings (SOM) lie at the heart of APEC. They supervise the three Committees (Budget & Administration, Economic and Trade & Investment) and the 10 Working Groups. Business representatives participate, together with economy officials, in the activities of these Working Groups which are specialised by sector (e.g. Trade promotion, telecommunications, fisheries, tourism, etc.). An APEC Secretariat was set up in Singapore in 1992.

The Declaration of Common Resolve agreed on in Bogor in 1994 asserted open trade as the foundation of economic growth. As such, leaders agreed to eliminate impediments to economic cooperation and integration: industrialised economies are to achieve the goal of free and open trade and investment by 2010, developing economies by 2020.

The Osaka Summit sought to give the concrete means of achieving this goal through a 25-year plan named the "Action Agenda" in which the comprehensiveness of the liberalisation process was emphasised. A deadline was set for the preparation of concrete and substantive Action Plans which are to be submitted by each APEC member at the next Summit in Subic Bay, the Philippines in November this year. Thus, each APEC member is delivered the responsibility of drawing up its own Action Plan for liberalisation, keeping the 2010/2020 dates as general objectives. Overall implementation of the Action Plans will begin in January 1997 and will be reviewed annually.

The character of this trade liberalisation nevertheless conserved a certain ambiguity at the outcome of the Osaka Summit. To the U.S. inclination for an Article XXIV approach, advocating a WTO-consistent Free Trade Area, the Asian members

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<sup>1</sup> Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Republic of the Philippines, Singapore, Chinese Taipei, Thailand, United States. Vietnam is the only ASEAN member not to be an APEC member.

opposed a Most Favoured Nation implementation or "Open Regionalism" view. The APEC Eminent Person's Group in its second report<sup>2</sup> published in 1994, defined this concept, which it fervently supported, as "... a process of regional co-operation whose outcome is not only the actual reduction of internal (intra-regional) barriers to economic interaction but also the actual reduction of external barriers to economies not part of the regional enterprise.." and "will, by definition, be a building block for and contribute to a freer global economy...".

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<sup>2</sup>"Achieving the APEC Vision: Free and Open Trade in the Asia Pacific", Second Report of the Eminent Persons Group, August 1994.

## **Annex 5 - EU-ASEAN Relations:**

**5.1. An Historical Overview**

**5.2. Outline of EU-ASEAN ties**

## 5.1. AN HISTORICAL OVERVIEW

European relations with ASEAN are marked by the strong co-operation links to have emerged since the first informal contacts were made in the early 1970's. Economic and political changes in both regions have called for a significant evolution of the substance of these co-operation activities. Adaptation of EU-ASEAN relations to changing circumstances has until now happened within the EC-ASEAN Cooperation Agreement signed in March 1980.

The Community is ASEAN's oldest Dialogue Partner. Relations began informally in 1972 following an ASEAN initiative mainly concerned with trade benefits. The first contact at a ministerial level occurred in June 1972 when a delegation led by the Indonesian Trade Minister was received by the Commission at a special sitting. The idea of a Co-operation Agreement was first floated by the Commission in 1974 taking the 1973 accord with India as a model. ASEAN's lack of the requisite institutional structures prevented such an engagement. Nevertheless, at the First ASEAN Summit held in Bali in 1976 it was decided to take the necessary steps for the broadening of contacts and the institutionalisation of a dialogue with the Community.

The first EEC-ASEAN ministerial meeting was held in Brussels in November 1978. Never before had the Foreign Ministers of the EEC Member States met, within the Community framework, with their counterparts from a Developing regional grouping not associated with the Community. It was then decided to establish a Co-operation Agreement which was eventually signed by both parties in March 1980. It is within the legal framework provided by this agreement that EEC-ASEAN relations have been conducted ever since, maintaining regular Ministerial Meetings on top of the Joint Cooperation Committee Meetings created by the Agreement.

Regular EC-ASEAN Meetings have been held since 1978 including 11 Ministerial Meetings and 12 Joint Co-operation Committee Meetings. The EC, as a Dialogue Partner, also participates since 1980 in the Post-Ministerial Conferences held every year (at the end of July) immediately after the ASEAN Ministerial Meeting.

The end of the Cold War and the realisation of the impressive ASEAN economic achievements resulted in the need to review the framework of relations. Thus, at the 9th ASEAN-EU Ministerial Meeting (AEMM) in 1991 in Luxembourg it was decided to upgrade the 1980 Agreement to take into account the changing needs to be satisfied by mutual co-operation. However, since July 1992, the Council has failed to authorise a Community negotiating directive for a new agreement because of concern over the Human Rights situation in East Timor. This has not prevented the reinforcement of political ties exemplified by the participation of the EU in the ASEAN Regional Forum (ARF) since its first meeting in July 1994 or the deepening of the common dialogue within the strict limits of the 1980 Agreement on the base of a consensus reached during the 10th AEMM held in Manila in October 1992.

The EU-ASEAN political framework has proved flexible enough to incorporate certain changes in co-operation prerogatives to have appeared since 1980. "Towards a New Asia Strategy", the Commission's Strategy Paper published in July 1994, indicated the changes EU-ASEAN relations faced and called for the building of a partnership of equals with ASEAN. The 11th AEMM in Karlsruhe in September 1994, in welcoming the content of the Commission's Communication, expressed its commitment to reinvigorate and intensify the EU-ASEAN long-standing dialogue and

cooperation. In this context, the AEMM established an Eminent Person's Group (EPG) charged with proposing concrete measures to enhance EU-ASEAN relations. The EPG's report was submitted in June 1996.

## 5.2. OUTLINE OF EU-ASEAN TIES

The EU and ASEAN are linked by a large number of official activities sustaining their strong partnership. These ties are assured through institutional and economic contacts which can be summarised into three broad categories: Institutional Dialogue; Trade Enhancement; Economic & Development Co-operation.

### 5.2.1. Institutional Dialogue<sup>1</sup>

The highest-level of institutional dialogue is the ASEAN-EC Ministerial Meeting (AEMM) attended by Foreign Ministers. The 11th AEMM was held in Karlsruhe, Germany, in October 1994. It is held on alternate years and focuses on political as well as economic & cooperation issues.

In order to maintain the continuity of political dialogue, during those years in which there is no Ministerial Meeting, a Senior Official's Meeting is held. The last such Meeting was held in Singapore in May 1995.

Within the framework of the Cooperation Agreement, Joint Co-operation Committee (JCC) Meetings are held approximately every 18 months to discuss on-going and future projects. The 12th JCC took place in Brussels in October 1995. Within the JCC, four Sub-Committees have been organised: Trade, Economic and Industrial Co-operation, Science & Technology and Forests. They normally meet once a year and report to the JCC.

The EU participates in ASEAN meetings open to ASEAN Dialogue Partners. These are the Post-Ministerial Conference (PMC) and the ASEAN Regional Forum (ARF). Both are held immediately after the annual ASEAN Ministerial Meeting. At the first the general political and economic situation of ASEAN and of EU-ASEAN relations is reviewed. The second is a forum to discuss security issues in the ASEAN region.

EU-ASEAN contacts are assured on a day-to-day basis through the ASEAN Brussels Committee (ABC). The ABC regroups all the ASEAN missions to the EC. Its annual chairmanship runs parallel to the chairmanship of ASEAN. In addition, a Country-Coordinator is designated for a period of three years. Meetings between the Commission and the ABC are convened on an ad-hoc basis.

### 5.2.2. Trade Enhancement

Trade has been described as the "cornerstone of EC-ASEAN relations". Exchanges since the conclusion of the 1980 Co-operation Agreement have boosted: in the 1980-1995 period trade volume multiplied by a factor of 4.9 to reach 67 billion Ecu. By 1995, ASEAN's share of total EC imports had risen to 5.8% (compared to 1.8% in 1975). ASEAN's exports to the EC have risen faster than to any other market since 1984. The EC today ranks third among

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<sup>1</sup>A graphical presentation of the institutional structure of EU-ASEAN relations is to be found in Annex 8.

ASEAN's trading partners in total trade and second as far as its exports are concerned.

The first Generalised System of Preferences scheme was introduced by the EEC in 1971. ASEAN received in 1993 almost 30% of the total GSP granted by the EC with Indonesia, Thailand and Singapore respectively being the 3rd, 4th and 5th recipients of GSP by value. Malaysia was 7th and the Philippines 11th. When considered as a region, ASEAN was the principle beneficiary of the GSP in 1993, just above China. A revised GSP scheme for industrial products came into force on 1 January 1995. The Commission organised and held information seminars in the capitals of the majority of ASEAN countries to inform appropriate government administrations as well as economic operators.

The adoption of the Agreement on Trade-Related Aspects of Intellectual Property Rights (the "TRIPS" Agreement) within the framework of the Uruguay Round signalled the importance given by both developed and developing countries to an adequate protection of intellectual property rights. The EC has actively contributed to the development of the intellectual property systems of the ASEAN countries through economic cooperation and particularly through such programmes as the EC-ASEAN Patents and Trademarks Programme. In this sense, the establishment of an ASEAN Framework Agreement on Intellectual Property Co-operation at the 5th ASEAN Summit in December 1995 was seen as a welcome accomplishment. In order to further contacts and closer consultation in this area, the meeting of an ad-hoc Intellectual Property experts group was decided on at the 12th JCC in October 1995. It will meet by mid-1996 and submit the outcome of its discussions to the ASEAN Senior Economic Official's Meeting (ASEOM).

EC-ASEAN trade relations also involve trade defence legislation. One such mechanism is anti-dumping legislation. The New Agreement on Implementation of Article VI of GATT 1994, the WTO anti-dumping agreement, considerably strengthened the discipline in this area compared with the 1979 anti-dumping code. The EC anti-dumping legislation has been revised to reflect the new rules applicable under Article VI of the GATT and a new regulation came into force in January 1995. ASEAN countries have felt targeted since 1994 by EC anti-dumping legislation: 6 ASEAN products are currently subject to anti-dumping/anti-subsidy measures and 18 are being investigated. However, it should be emphasised that anti-dumping proceedings are only opened following a complaint from an EC industry which provides sufficient *prima facie* evidence of dumping and injury, as required by the WTO anti-dumping code. They are not an act taken by the European Commission of its own initiative. In sum, the opening of an increased number of anti-dumping investigations of ASEAN products is basically illustrative of the dramatic increase in EC-ASEAN trade.

### 5.2.3. Economic & Development Co-operation

Complementing trade enhancement, economic and development co-operation provide the means for the expansion of general economic relations between the EC and ASEAN. Co-operation is also undertaken in the fields of Drugs and Refugees. The European Commission is currently managing 25 regional

projects operating in ASEAN, 14 of which are joint EC-ASEAN projects. The total number of projects in ASEAN (regional + bilateral) since 1976 is 326<sup>2</sup>.

### 5.2.3.1. *Economic Co-operation*

The EC's economic cooperation with ASEAN countries is based on four general principles:

- It counts on the **mutual interest** of European and Asian partners, both private and public.
- It is **complementary**, in playing the role of a catalyst, to the actions undertaken by EU Member States.
- It is **adapted** to the cultural, economic, social and political characteristics of each of the EU's partners in ASEAN, to their differences in level of development and to the degree of liberalisation of their economies.
- It sets up a **direct dialogue with the private sector**, establishing its needs and priorities to encourage partnership between European and ASEAN companies. The climate of partnership will facilitate European investment in ASEAN.

Following these criteria, the development of dialogue and partnership between the EC and ASEAN takes place at three levels, with the aim of:

- Improving the economic, social and cultural general cooperation framework of EU-ASEAN relations by creating a climate of confidence within the business world;
- Encouraging and facilitating cross-investment and commercial contacts;
- Developing business to business cooperation.

### 5.2.3.2. *Development Co-operation*

In 1994 the Community and its Member States accounted for 46 % of global Overseas Development Aid (ODA) or 26.6 US\$ billion (27.1 US\$ in 1993): its role as the largest donor world-wide and an equal partner with Japan in development co-operation in Asia (39% each) should be stressed. Inception of EC development programmes in Southeast Asia (~10% of total EC + Member Countries ODA) began in 1976 with the inscription by the European Parliament of the first aid allocation for Asia and Latin America in the EC budget. Aid has focused in the following sectors: Integrated Rural Development, Rural Production & Services and Social Development, Environment. Recent

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<sup>2</sup> Detailed figures of the sums allocated to each type of co-operation activity are presented in Annex 7.

emphases have included: in Indonesia, a focus on forest protection and sustainable forest management; in the Philippines, a focus on participatory development in the poorest rural areas, including integrated development, agrarian reform and maternal health; in Vietnam, a focus on assisting in the reintegration of returnees and the establishment of the market economy, coupled with support for NGO's.

#### 5.2.3.3. *Other Types of Co-operation*

Other areas of Co-operation include assistance to Refugees and Drugs. The EC has shown its concern for the Care & Maintenance, Education, Health and Repatriation & Reintegration of refugees in Thailand, Vietnam, the Philippines and Malaysia, allocating the sum of almost 100 MECU to such activities.

Regarding drugs, co-operation projects have focused on prevention and rehabilitation, little progress having been made to date on agreements on the control of precursor chemicals.

## **Annex 6 - Trade Policy Review Profiles\* :**

**6.1. Indonesia**

**6.2. Malaysia**

**6.3. Philippines**

**6.4. Singapore**

**6.5. Thailand**

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\* The information provided is based on the GATT/WTO Trade Policy Review Mechanisms and on information gathered by EC delegations and Member State's Trade Councils in certain of the countries considered.

## 6.1. INDONESIA

### I. TARIFF

In May 1995 the government lowered tariffs on 6,030 items, or 64% of the 9,398 items on the government's tariff list. The government also established a timetable for further reductions up to 2003. Key tariffs reduced include those on components used in locally assembled sedans (down to 125% from 175% and set to be reduced to 40% by 2003); cars (75% from 100% and to fall to 50% by 2003); commercial vehicles (30% from 40% and to fall to 20% by 2003); newsprint (5% from 20%; printing paper, zero from 20%). The government says that by 2003 tariffs on manufactured goods other than cars and alcoholic beverages will not exceed 10%.

Some non-tariff barriers were also removed in the May 1995 package. Several sectors previously tightly restricted have been opened to new investors. In January 1996, a further tariff reduction plan was approved and the overall tariff structure of Indonesia after the plan is shown below:

<b>Deregulation Package January 1996</b>				
<b>Tariff Rates</b>	<b>Before Package</b>	<b>%</b>	<b>After Package</b>	<b>%</b>
0%	1,053	14.5%	1,149	15.8%
5%	2,247	30.8%	2,235	30.7%
10%	541	7.4%	636	8.7%
15%	847	11.6%	742	10.2%
20%	281	3.9%	284	3.9%
25%	1,409	19.3%	1,347	18.5%
30%	809	11.1%	794	10.9%
35%	2	0.03%	8	0.1%
40%	14	0.2%	8	0.1%
40% +	81	1.1%	81	1.1%
<b>Total</b>	<b>7,284</b>	<b>100%</b>	<b>7,284</b>	<b>100%</b>

*Source: Indonesia Ministry of Finance*

Indonesia also has committed itself to dropping most import surcharges over the next ten years.

The value-added tax on imports currently ranges from zero to 10%, and the luxury tax is as high as 35% for certain products.

## II. NON-TARIFF BARRIERS

### II.1. Registration, documentation and customs procedures

#### *Import Clearance Procedure*

According to the standing regulations, all goods coming into Indonesia must be cleared through Customs and are subject to customs duty unless specifically exempted from duty by law.

### II.2. Valuation

The value concept for the purposes of assessment of duty comprises the following methods:

#### **Goods which have the value of US\$ 5,000 (FOB) or more:**

- Determination of the value for duty is based on the prevailing export market price in the country of supply as assessed by the Government appointed surveyor.

#### **Goods which have the value of less than US\$ 5,000:**

- Determination of the value for duty is based on the invoice price.

### II.3. User Fees

In order to provide better services and to expedite the flow of goods and documents, the Indonesian Customs has implemented a system called "Customs Fast Release System" (CFRS) throughout Indonesia since 1 December 1990. This system covers the processing of import declarations, inspection, and release of goods which have the value of less than US\$ 5,000 and is meant to provide importers with a more efficient Customs system. No charge is imposed to access to the system.

### II.4. Import Prohibitions

Certain goods are prohibited to be imported or exported, e.g.:

- hazardous articles and substances such as narcotics and dangerous drugs, flammables, poisons, oxidators, radio-actives, etc.;
- explosive goods/materials;
- fire-arms and ammunition;
- books, magazines, leaflets, brochures, newspapers written in Chinese letters/characters and in the Chinese language;
- gramophone-records, cassettes, video cassettes and films;

- transceiver equipment, cordless telephone or telecommunications equipment;
- colour photo-copy machine and parts thereof;
- certain plant species such as quinine, orchids, agave, etc.;
- endangered species or their by-products;
- ready-made medicines produced abroad, including Chinese traditional medicines;
- unregistered food and beverages;
- solar eclipse glasses;
- pesticides;
- products of certain goods such as rubber lumps, unprocessed hides and raw skin of cow, rattan, etc.;
- waste, steel, copper and brass scraps;
- goods of cultural value.

However, those goods can be imported or exported if certain requirements from particular government agencies are obtained.

## II.5. Import Licensing

The licensing system classifies restricted goods into three main categories, according to the type of importer<sup>1</sup>. These categories are producer-importer (IP), agent or sole trader (AT), and registered importer (IT). In addition, a number of products may only be imported by a designated State-owned entity, such as BULOG. All other goods are unrestricted and classified in the general importer (IU) category. The number of tariff lines subject to restrictive import licences has progressively fallen from 1,122 in 1990 to 470 in June 1993 to 318 in October 1993 and to 261 in June 1994, representing under 3% of tariff lines, following the June 1994 package<sup>2</sup>.

Despite the reduced incidence and import coverage of import licences, with the share of licensed imports falling from over 40% in 1985 to well under

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<sup>1</sup> A fourth category importer producer (PI), was terminated in the June 1993 package when the last PI licence, covering "other nitrates", was withdrawn. Prior to their widespread removal in June 1991, PI licences had enabled domestic producers to import inputs not available locally, such as completely-knocked-down (ckd) motor vehicle kits.

<sup>2</sup> These include IT/AT import licences on imported motor vehicles not assembled in Indonesia, introduced on 46 tariff lines in June 1993. The June 1994 package converted IP or AT import licences on 27 tariff items to IU status. These included 2 BULOG-agriculture items (lactose) and 25 industrial items, covering venetian aluminium blinds and certain piston engines or parts thereof. The package also shifted fresh and fried garlic from IT status to BULOG controlled licences.

10% at present, it has been estimated by the World Bank that some 30 and 35%, respectively, of manufacturing and agricultural production are still covered by import licences.

### Production coverage of restrictive import licensing

(Per cent of 1987 production)

Description <sup>a</sup>	1989	1990	1991	1992	1993 <sup>b</sup>	1994 <sup>c</sup>
<b>Agriculture</b>	44.7	44.7	35.5	35.5	35.5	35.5
Food crops	64.7	64.6	55.7	55.7	55.7	55.7
Estate and other crops	25.7	25.7	14.5	14.5	14.5	14.5
Livestock	7.3	7.3	0.1	0.1	0.1	0.1
<b>Forestry and fishing</b>	12.5	6.3	0.0	0.0	0.0	0.0
<b>Mining and quarrying</b> (including oil and gas)	0.2	0.2	0.2	0.2	0.2	0.2
<b>Manufacturing</b> (excluding oil and gas)	38.1	32.8	31.6	31.1	31.2	30.6
Food, beverages and tobacco	62.9	61.3	59.8	58.7	60.7	58.8
Textiles, clothing and footwear	8.0	6.5	6.5	5.4	5.2	5.2
Wood products	0.0	0.0	0.0	0.0	0.0	0.0
Paper products	37.6	37.6	37.6	34.6	34.6	34.6
Chemicals	5.5	2.6	2.6	2.6	0.2	0.2
Oil and gas	0.5	0.5	0.5	0.5	0.5	0.5
Non-metallic products	19.5	1.0	0.0	0.0	0.0	0.0
Basic metals	17.2	5.0	5.0	4.6	4.6	4.6
Engineering	49.2	36.3	33.9	33.9	31.6	31.6
Other manufacturing	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	27.9	25.4	22.3	22.1	22.1	21.9

a Based on Indonesian input-output classification for 1985.

b After the October 1993 changes. The figures include the IT/AT licences introduced on motor vehicles to replace the import bans in June 1993.

c After the June 1994 package.

Source: World Bank

The main items affected by licensing are agricultural commodities, processed food and beverages, paper products (mainly due to the import bans on foreign printed material), engineering products (mainly reflecting the licences on imports of cars unassembled in Indonesia and some machinery), basic metals (especially iron and steel) and chemicals (mainly explosives).

Restrictive import licences, especially the more prevalent IP category, control the degree to which domestic producers of many goods are exposed to import competition, such as those granted on steel products, including tubes and

pipes. Specific licences designating State monopolies as sole importers mainly cover the importation by BULOG of major food products, namely, rice, wheat and wheat flour, sugar, soybeans, gummy bags and, from June 1994, garlic<sup>3</sup>.

IT licences restrict to six State-trading firms imports of a wide range of products across all sectors.

IT import licences are combined with sole agent (AT) licences to create an import monopoly over designated brand names of final products<sup>4</sup>. Currently, IT/AT licences cover only imports of cars not assembled in Indonesia<sup>5</sup>. Every type and brand of (cbu) car to be imported must be registered in advance with the Ministry of Industry. The Ministry of Trade determines whether the type of car being imported is assembled domestically, and, hence, decides whether it must be imported under a restrictive IT/AT licence.

## II.6. State Trading Enterprises

Pursuant to GATT Article XVII, Indonesia has notified BULOG as a State-trading entity which, as part of its statutory responsibilities for implementing the Government's food policy (through controlling production, distribution and marketing of major agricultural commodities), is the sole legal importer (and exporter) of several commodities. The main products covered by BULOG's activities are rice, sugar, wheat and wheat flour, soybeans, gummy bags and, since June 1994, garlic. The level of imports is set annually to fill the shortfall between domestic production and consumption.

Indonesia also relies substantially on the activities of other State-trading agencies to meet its development targets for certain industries. Sole importation rights, covering mainly processed foods and beverages, are provided to six State-owned entities under the import licensing system (registered importer (IT) licences) to enable the Government to control imports.

As mentioned earlier, a number of State-owned enterprises have also been granted import monopolies over goods which they themselves produce. Imports of petroleum and gas products, are licensed exclusively to Pertamina, while imports of explosives are restricted under license to the State-trading entity, PT Perum Dahana. Sole importing rights over steel products by PT Krakatau Steel were terminated in July 1992.

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<sup>3</sup> Imports of garlic were shifted from an IT licence to a BULOG licence in June 1994.

<sup>4</sup> Foreign suppliers granted AT status are encouraged to make, in return for exclusive import licences, a long-term commitment to the Indonesian market through providing back-up repair and spare parts services, as well as gradually establishing local assembly or spare parts production.

<sup>5</sup> IT/AT import licences on cars not assembled in Indonesia were introduced in June 1993. The June 1994 package removed the IP and AT licences on reciprocating piston engines used in motor vehicles.

## II.7. Government Procurement

Indonesia has no central government purchasing agency. All government bodies and State-owned enterprises are responsible for their own procurement on contracts of up to Rp 3 billion. All contracts above Rp 3 billion, including those of State-owned enterprises, must first be approved by the Co-ordinating Ministry of Trade and Industry. Procurement must be at a favourable price that can be justified, meet stipulated technical requirements and utilize, where possible, domestically-produced inputs<sup>6</sup>.

Formal bidding procedures, either public or limited, must be followed on procurement contracts above Rp 20 million<sup>7</sup>. Limited tenderers are invited to apply for the contract from the List of Capable Suppliers. However, since public tenders are only necessary on contracts above Rp 500 million, most contracts below Rp 500 million are let by limited tender. Only foreign suppliers prepared to meet Indonesia's countertrade arrangements will be considered at public tender.

## II.8. Local Content Schemes

Indonesia operates a number of local content plans designed to assist domestic production of components. The local content plans operate by means of "deletion lists", constructed by the Ministry of Industry for each assembler and reviewed bi-annually, and which specify those components which can be imported<sup>8</sup>. Goods not on a Master List must be sourced locally. Localization plans, specifying the components to be sourced locally, the prescribed level of local content and, in most cases, the time period allowed for meeting the targeted level, are generally stipulated in decrees issued by the Minister of Industry. Increased local content is generally introduced over time through deletion lists requiring increasing levels of local content.

## III. INVESTMENT RELATED MEASURES

### III.1. Direct Foreign Investment Limitations

The May package also altered the negative investment list. Ten sectors were dropped from the list and five were added. Thus, a total of 34 sectors remain on the negative investment list. The main changes included the addition of a new category, "Sectors closed to 100% foreign ownership." Eight sectors are included in this category: operation of ports; production, transmission and distribution of electricity to the public; provision of public telecommunication services; shipping; provision of drinking water; public railways; nuclear power; and advertising.

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<sup>6</sup> All procurement contracts are, in principle, subject to a post-audit by the Finance and Development Supervisory Agency (BPKP) to assess, among other things, the appropriateness of the price.

<sup>7</sup> Small contracts below Rp 20 million are let through direct designation or direct procurement and are reserved for suppliers from economically-weak sectors.

<sup>8</sup> Locally-made components included in the master list, if imported, are dutiable at tariff rates specified in the customs schedule.

### The Negative Investment List

	Category	Number of Sectors
I.	Sectors closed unless certain requirements are met	9
II.	Sectors closed to foreign investment	6
III.	Sectors closed to 100% foreign investment	8
IV.	Sectors absolutely closed	11
	<b>Total</b>	<b>34</b>

The May 1994 investment deregulation opened the first seven of these.

Ten sectors were dropped from the negative foreign investment list for the stated purposes of increasing business opportunities, domestic supplies of the affected products, value added and technology transfer.

## 6.2. MALAYSIA

### I. TARIFFS

Goods imported are classified under the Harmonised Coding System (HS) and import duties range from nil to 200%, with average tariffs within the 15% to 25% range. Both imports and exports must be declared to customs on prescribed forms. Sales tax at 5%, 10% or 15% is levied on certain imported and locally manufactured goods at the time of importation or when disposed of by the manufacturer. Most customs duties are imposed on the value of the goods.

As part of fiscal measures for 1996, there was reduction/abolition of import duties on more than 2,600 items, including textile products and raw materials and components.

The rates for import, export, and excise duties vary depending on the nature of the items. Partial or full exemption from import duty and surtax may be granted on application depending on whether finished products are sold locally or are exported. There are also provisions for exemption from customs duty on imported machinery and equipment and for goods for export. Packaging materials are generally not eligible for drawback on duty paid on import. Protective tariffs and other assistance are also available to deserving industries to encourage industrialisation in Malaysia.

#### Level of Bindings

65% of tariff lines (agricultural and industrial)

79% of imports (agricultural and industrial)

#### **I.1. Industry**

##### Average Applied Tariff Rate

The post-Uruguay Round trade weighted tariff stands at **8.9%**.

##### Tariff Rates Structure<sup>9</sup>

15% (average) Semi-processed and processed item

5% (average) Primary products

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<sup>9</sup> Pre-Uruguay Round information.

## I.2. Agriculture

### Tariff Rates Structure<sup>1</sup>

- Raw materials: 16%
- Semi-processed: 25%
- Fully processed: 5%

### Current Rates Range<sup>1</sup>

- 0 ⇔ 50%: Raw materials
- 0 ⇔ 25%: Semi-processed
- 0 ⇔ 5%: Fully processed

## II. EXAMPLES OF NON-TARIFF MEASURES

### II.1. Licensing Requirements<sup>1</sup>

Licensing continues to apply to a number of imports, including poultry, meat, eggs, rice and paddy, sugar, clinkers, acetyl bromide, acetic anhydride chloride, fireworks, magnetic tapes for video and sound recording, explosives, wood, safety helmets, diamonds, rice milling machinery, automatic cassette or cartridge loaders, colour copying machines, some telecommunication equipment, motor vehicles; arms and ammunition, coin or disc operated amusement machines, saccharin and its salts, milk, cabbage, coffee, cereal flours, some iron and steel products, and certain wires and cables.

### II.2. Conditional Import Prohibitions<sup>1</sup>

Animals, animal products, plants, plant products, cigarettes, soils, fertilisers of animal origin, bullet-proof vests, electrical apparatus, safety belts and imitation weapons.

### II.3. Transparency

The last published tariff schedule dates back to 1988. Malaysia's system of licensing and import prohibitions is used in a number of cases to ensure adherence to sanitary, phytosanitary, safety, environment protection and copyright requirements. However, in many instances, it is used to provide protection to domestic producers against imports. The system is not fully transparent in that regulations do not clearly distinguish between these two cases.

## II.4. Government Procurement

Countertrade: Malaysia does not have mandatory counterpurchase requirements in government procurement. However, countertrade proposals by suppliers are given consideration in identifying a preferred tenderer when price and other factors are evaluated.

Public Tenders: The Contract and Supply Management Division of the Ministry of Finance is the central procurement agency for the Federation. The Minister of Finance has delegated some powers to the Tender Board, allowing it to approve tenders for works (including construction) up to RM 10 million and for supplies (of goods) and services up to RM 5 million. Local governments have separate procurement agencies.

Foreign suppliers qualify for bidding on public contracts if they are registered with the Ministry of Finance and their equity in the company or joint venture does not exceed 30%. No margin of preference is given to domestic companies over foreign bidders.

## II.5. Investment

Foreign investment in the manufacturing sector has been greatly encouraged by Malaysia's liberal policy on equity participation which allows up to 100% foreign ownership in projects which export 80% or more of their production. For projects which export less, the level of foreign equity participation allowed will vary according to the percentage of production exported.

According to the authorities, Malaysia has no local content laws or regulations applying to domestic production. However, the Government encourages the use of local materials in domestic production and the use of local content is taken into account in the granting of investment incentives. There is also a local content programme for motor vehicles.

## III. SERVICES

Under the General Agreement on Trade in Services (GATS), Malaysia is committed to opening up a total of 64 sectors and subsectors to foreign participation and has offered substantial liberalisation, MFN and national treatment in several service sectors such as professional services, computer services, audiovisual services, maritime and aviation transportation services, consultancy, and a wide range of business services. It has also made substantial offers in the finance sector by binding nearly all financial services activities.

Further liberalisation of the services sector will be undertaken in a progressive manner, commensurate with the level of the country's economic development and the development of the domestic services sector.

## 6.3. PHILIPPINES

### I. TARIFF PROTECTION

#### I.1. Tariff levels and Uruguay Round Commitments

A major tariff reform programme introduced in August 1991 by Executive Order (E.O.) 470 established a new simplified four-tier rate structure: (i) 3% for basic raw materials previously exempt from tariffs and those subject to a 5%; (ii) 10% for raw materials, capital equipment for which no locally produced substitutes are available and spare parts; (iii) 20% for intermediate and semi-processed goods and capital equipment for which there are locally produced substitutes and (iv) 30% for finished goods.

An ambitious step in tariff liberalisation was taken by President Ramos through E.O. 264 last July 1995. It sets out a two-tiered tariff structure of 3% and 10% for raw materials and finished products to be fully implemented by 2003. It is also targets at a uniform 5% on manufactured products by 2004.

#### I.2. Tariff bindings

The Philippines offered to bind 37% of tariffs in the Uruguay Round negotiations.

#### I.3. Effective rate of protection

The only agricultural commodity under import protection is rice.

On non-agricultural products, there remain some restrictions on used motor vehicles (see further point on local content schemes) Imports of Coal and refined petroleum products are expected to be fully liberalised in 1997.

#### I.4. Tariff Quotas

Other than tariff quotas resulting from the Uruguay Round Agreement, the Philippines does not use tariff quotas according to the Philippine authorities.

### II. NON TARIFF BARRIERS

#### II.1. Other levies and charges

##### *Specific Duties*

Specific duties are levied only on two product groups:

- a) Cinematographic films, exposed and developed, whether incorporating or not sound track or consisting only of sound track:

- (i) newsreels, travelogues, technical and scientific films - P0.30 per metre under HS Nos. 3706.10 and 3706.90

(ii) other - P2.00 per metre falling under HS Nos. 3706.10 and 3706.90

b) Imported crude oil falling under HS heading No. 2709 - P0.95 per litre or P151.05 per barrel

Imported oil products falling under HS heading Nos. 27.10 and 27.11 - P1.00 per litre.

### *Seasonal tariffs*

While there are no mixed or alternate tariffs, a seasonal tariff is imposed on fish products under HS headings 03.02 and 03.03

## **II.2. Minimum import prices**

They were discontinued in 1992

## **II.3. Import Prohibitions**

Imports are now classified according to the degree of restriction involved.

*Freely Importable:* They are neither regulated nor prohibited, and do not require the prior approval of, or clearance from, any Government agency.

*Regulated:* They require clearance or permits from appropriate Government agencies.

*Prohibited:* They are not ordinarily allowed under existing laws

## **II.4. Import licensing**

Imports into the Philippines are free unless otherwise subject to the requirements of prior approval by appropriate Government agencies.

## **II.5. Import Quotas**

Explicit quotas operate only on two products: feeder cattle (4800 heads/mo) and horses (150 heads/year).

## **II.6. Import Surveillance (pre-shipment inspection)**

To address the problem of misdeclaration and smuggling, the Government of the Philippines, introduced the Comprehensive Import Surveillance Scheme (CISS), with the Societe General de Surveillance (SGS) as the designated inspector in 1987.

The aims of the CISS are to:

a) verify that the quantity is in accordance with contract specifications;

- b) assess and report the dutiable value, the prevailing export market price, freight, and dutiable charges;
- c) issue, if warranted, a Clean Report of Findings (CRF). This document is necessary for customs clearance and to support negotiation of payment.

## II.7. State Trading Enterprises

The Philippine International Trading Corporation (PITC), a Government Corporation founded in 1973, is the sole state trading enterprise. Initially it was concerned mainly with trade involving centrally planned economies. In 1981, however, its mandate was extended to a global marketing function. The Corporation does not have exclusive trading rights for any commodity and usually operates on behalf of Philippine firms<sup>10</sup>. There are plans for its privatisation.

## II.8. Import cartels

Not applicable

## II.9. Standard and other technical requirements

The Philippines has been a signatory to the Agreement on Technical Barriers to Trade since its accession to GATT in January 1980.

Of the 1,462 standards that have been developed or formulated, at present 304 (or 21%) are either identical or equivalent to international standards. The rest are related to standards in specific foreign countries.

The Philippines has recognised some inspection bodies to conduct tests in other countries on a number of products according to Philippine national standards procedures.

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<sup>10</sup> Imports of rice, the only commodity over which the Government has exclusive rights, are managed by the National Food Agency.

<b>I. Electrical products</b>	<b>III. Construction material</b>
1. Ballast for fluorescent lamps	1. G.I. pipes (welded)
2. Circuit breakers	2. G.I. sheets
3. Edison-screw lampholders	3. Portland cement
4. Fluorescent lamps	4. Pozzolan cement
5. Fluorescent lamp luminaries/fixtures	5. Reinforced steel bars
6. Electrical cartridge fuse	6. HD-PE pipes (for potable water supply)
7. Glow starter for fluorescent lamps	7. Steel wire nails
8. Incandescent lamps	<b>IV. Other products</b>
9. Insulating tapes	1. Automatic lead-acid storage battery
10. Lampholders and starterholders for fluorescent lamps	2. LPG cylinders for household use
11. Plugs and receptacles	3. LPG cylinders for automotive use
12. Switches	4. Medical oxygen
a) knife	5. Pneumatic tyres
b) snap/tumbler	6. Rubber inner tubes
13. Thermoplastic insulated wires	7. Safety matches
14. Electrical conduit, PVC	8. Lighters
<b>II. Fire fighting equipment/extinguishing agents</b>	9. Copper redraw rod for electrical purposes
1. Fire extinguisher	10. EC aluminium redraw rod for electrical purposed
2. Fire hose ( <i>presently not being implemented</i> )	11. Flexible cords

Local importers and distributors of medical equipment are required to obtain a license to operate from the BFD. All food and food products intended for import or export must also be registered with the BFD.

The Philippines imposes phytosanitary regulations on the imports of certain fruits and vegetables to protect the domestic industry from destructive pests, specifically several species of fruit flies existing in certain countries.

## II.10. Government Procurement

The Philippine Government is a large direct importer, usually through competitive bidding, of many essential products. These include rice, road building and maintenance equipment, cement, machinery and equipment for the various Government projects, and also military and defence equipment. Rice is the only product for which the Government is the sole importer. Rice imports are made by the National Food Authority which is concerned with stabilising prices.

Philippine Government procurement practices generally do not discriminate against foreign goods and services. However, there are several sectors in which the Government is stated to favour Philippine firms for Government contracts. These include rice, medicines, and infrastructure projects.

Philippine Government procurement regulations permit a foreign company to bid on Government procurement only if it maintains a registered branch office or a registered resident agent in the Philippines.

#### II.11. Local content schemes

The Philippines does not have any local content requirements, according to the Philippine authorities. However, participants in the Government's Car Development Program (CDP) have to comply with local content requirements, as well as obtain a minimum percentage of their foreign exchange through exports. All this is scheduled to be phased out by the end of year 2000.

#### II.12. Subsidies and export support measures

Importation of machinery and equipment and accompanying spare parts which are used in the manufacture of exported products at zero percent (0%) duty for a period of three (3) years.

Tax credit for imported inputs and raw materials primarily used for the production and packaging of export goods, which are not readily available locally, shall be valid for five (5) years *provided* that the tax credit shall be issued within thirty (30) days from exportations.

*Tax credit for increase in current year export revenue computed as follows:*

- The first 5% increase would be increase in annual export revenue over the previous year would mean a credit 2.5% to be applied on the incremental export revenue converted to pesos at the current rate;
- The next 5% increase would be entitled to a credit of 5.0%
- The next 5% increase would be entitled to a credit of 7.5%
- In excess of 15% would be entitled to a credit of 10%

Such tax credit is only granted for the year when the performance is achieved.

For exporters of non-traditional products who use or substitute locally produced raw material, capital equipment and/or spare parts, tax credits equivalent to 25% of the duties that would have been paid had these inputs been imported.

### III. INVESTMENT RELATED MEASURES

#### III.1. Direct foreign investment limitation

Foreign Investment is regulated by the Foreign Investment ACT (FIA) of 1991, which authorises 100% foreign ownership in practically all areas except those prohibited by the Constitution or Special Laws. (See table below).

#### Foreign Investments Negative List

List A - Limited by Constitution or Special Laws	List B - Limited for Reasons of Security, Defence, Health, Morals and Protection of Small and Medium-Scale Enterprises
<p><b>No Foreign Equity</b></p> <ul style="list-style-type: none"> <li>• Mass media</li> <li>• Licensed professions               <ul style="list-style-type: none"> <li>- Lawyers</li> <li>- Accountants</li> <li>- Engineers, etc...</li> </ul> </li> <li>• Retail trade</li> <li>• Cooperative</li> <li>• Private security agencies</li> <li>• Small-scale mining</li> <li>• Fisheries</li> <li>• Rice and corn farming</li> </ul> <p><b>25% Foreign Equity</b></p> <ul style="list-style-type: none"> <li>• Recruitment agencies</li> <li>• Locally funded public works projects</li> </ul> <p><b>30% Foreign Equity</b></p> <ul style="list-style-type: none"> <li>• Advertising</li> </ul> <p><b>40% Foreign Equity</b></p> <ul style="list-style-type: none"> <li>• Natural resources development and utilisation</li> <li>• Land ownership</li> <li>• Public utilities</li> <li>• Educational institutions</li> <li>• Financing companies</li> <li>• Construction</li> </ul>	<p><b>40% Equity</b></p> <ul style="list-style-type: none"> <li>• Explosives</li> <li>• Munitions</li> <li>• Armaments</li> <li>• Dangerous drugs</li> <li>• Massage clinics</li> <li>• Gambling</li> <li>• Domestic market enterprises with capital less than 200,000 USD</li> <li>• Small-scale export enterprises depleting natural resources</li> </ul>

### **III.2. Profit repatriation limits**

No limits

### **III.3. Foreign Exchange Measures**

Foreign exchange regulations were liberalised in December 1993 and include full deregulation of current account transactions, access of exporters and importers to foreign currency loans and full and immediate repatriation of foreign investment including profit remittances.

## 6.4. SINGAPORE

### I. TARIFF

#### Tariff rates structure

98.6% are duty free

The average collected rate (customs and excise duty revenue/import value ratios) is 1.1%

#### Level of bindings

69.3% (from 0.5% in 1992)

The simple average of bound rates across all sectors is 7.4%

#### Special tariffs

##### Ad valorem tariffs

12% motorcycles

41% motor vehicles

#### Collected tariff rates (customs and excise duties/import values)

22.1% petroleum

28% motor vehicles

29.8% tobacco

41.3% liquor

#### Export duties

Singapore does not impose any duties on exports. Export control measures are mainly enforced for public health, security and environmental considerations or to fulfil international commitments. Singapore also currently maintains four bilateral export restraints covering textiles and clothings.

### II. EXAMPLES OF NON TARIFF MEASURES

#### II.1. Licensing requirements

Import licensing and control provisions are maintained mainly to discharge Singapore's obligations under international commitments or for public health, environmental and security considerations. For example, for national security reasons, under the Telecommunication (Dealers) Regulations 1994, an importer of telecommunication equipment must seek the prior approval of the

Telecommunications Authority of Singapore. Foreign shareholding in Singapore Telecommunications is limited to 40%.

Imports of products subject to import licensing in 1994 amounted to 6% of the total.

## **II.2. Sanitary Regulations**

With the enforcement of the Control of Plants (Imports of Fresh Fruit and Vegetables) Rules 1994, all importers of fresh fruit and vegetables for local sale or supply must apply for an import licence which is renewable every year.

## **II.3. Government Procurement**

Singapore is currently negotiating accession to the 1994 Agreement on Government Procurement. It remains a member of the 1979 Agreement on Government Procurement. Foreign firms wishing to act as supplier to the Singapore Government must have a registered office in Singapore or must appoint a local agent.

## **III. SERVICES**

Singapore has nine measures listed as GATS Article II Exemptions. Included are Investment Guarantee Agreements, Legal services, Broadcasting, Computer reservation systems and Maritime Transport services affecting all countries.

## **IV. INVESTMENTS**

Singapore generally makes no distinction between domestic investment and foreign investment; however, limitations on foreign ownership exist in telecommunications, financial services and the national airline.

## 6.5. THAILAND

### I. TARIFF

#### I.1. Industry

##### Average applied tariff rate

17% by 1997<sup>11</sup> (down from 30% in December 1994).

##### Tariff rates structure

as from 1997:

- 0% tariff-exempt products such as medical equipment and fertiliser;
- 1% raw materials, electronic components & international transportation vehicles;
- 5% primary products and capital goods;
- 10% intermediate products;
- 20% final products; and
- 30% products requiring "special protection"<sup>12</sup>.

##### Level of bindings

68%

#### I.2. Agriculture

##### Current average applied tariffs

- agricultural raw materials and livestock: **38%** (28% in 2004 under UR commitments)
- fisheries: **55%**
- forestry products: **15%**

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<sup>11</sup> These new rates and structures result from the tariff reform announced in December 1994. Certain textiles and garments, shoes, processed food products are most affected with deep cuts. Motor vehicles, where 1995 tariff average about 38% with a peak of 80% are notably excluded from the tariff liberalisation.

<sup>12</sup> This category applies to locally produced import-competing products which are regarded as requiring continued protection, including fabrics, carpets, clothes, blankets, handbags, shoes, headgear, wigs, television sets, refrigerators and air conditioners.

Current rates range

- 0 ⇨ 65%: agricultural raw materials and livestock  
 0 ⇨ 60%: fisheries and forestry

Level of bindings

Nearly all tariffs.

## II. EXAMPLES OF NON-TARIFF MEASURES

### II.1. Licensing requirements

Non-automatic licensing continues to apply to a number of imports, including fish meal, coffee beans, sugar and other minor agricultural raw products.

### II.2. Conditional import prohibitions

Gas, kerosene, motorcycles and certain buses.

### II.3. Transparency

Last published tariff schedule dates back 1992.

### II.4. Government Procurement (GP)

Countertrade: any imported procurement valued above Bath 500 million by State Enterprise must apply countertrade measures.

Public tenders: no centralised purchasing agency and no information. Thai products receive 10% price preference.

### II.5. Investment (I)

Motor vehicles: exemption from taxes granted to passenger cars and certain trucks provided their manufacturer satisfies local - content provisions.

Dairy products: local - content requirements on investment.

## III. SERVICES

Thailand's schedule of commitments under the GATS covers 95 service activities and 10 major sectors.

M.f.n. exemptions apply to business, transport, banking and other services.

In the financial sector Thailand is looking for assistance from advanced APEC countries in expanding its services exports.

Foreign equity participation in service establishments in Thailand must not exceed 49% of registered capital.

As a general rule, Thailand has bound neither its limitations on market access nor its limitations on national treatment in regard to the cross-border supply of services.

The following sectors or sub-sectors were not included in Thailand's GATS Schedule: research & development and real estate services under the Business category; postal and courier services under the Communications category; completion and finishing services under the Distribution category; tourist guide services under the Tourism and Travel category; entertainment, news agencies and libraries under the Recreational category; and internal waterways, pipelines and space services under the Transport category.

**Annex 7 - Breakdown of EC financial assistance in ASEAN**

**1976 - 1995**



BRUNEI			
Co-operation type	Nº. of Actions	EC Funding (MECU)	% of Total
<i>Economic co-operation</i>	1	0.119	0.01%
- Improvement of General Cooperation Framework	1	0.119	0.01%
<b>TOTAL</b>	<b>1</b>	<b>0.119</b>	<b>0.01%</b>

INDONESIA			
Co-operation type	Nº. of Actions	EC Funding (MECU)	% of Total
<i>Economic co-operation</i>	10	7.935	0.80%
- Improvement of General Cooperation Framework	1	0.197	0.02%
- Business-to-Business Coop	9	7.737	0.78%
<i>Development co-operation</i>	28	256.081	25.79%
- Forests	5	72.446	7.30%
- Irrigation & Rural Infrastructure	11	112.435	11.33%
- Integrated Rural Develop.	3	37.500	3.78%
- Rural Production	6	13.350	1.34%
- Rural Services	3	20.350	2.05%
<i>Other</i>	4	1.900	0.19%
- Refugees	4	1.900	0.19%
- Disaster Response			
<b>TOTAL</b>	<b>42</b>	<b>265.916</b>	<b>26.41%</b>

MALAYSIA			
Co-operation type	Nº. of Actions	EC Funding (MECU)	% of Total
<i>Economic co-operation</i>	7	1.587	0.18%
- Business-to-Business Coop	6	1.565	0.16%
- Unclassified	1	0.022	0.02%
<i>Development co-operation</i>	2	0.811	0.08%
- Forests	2	0.811	0.08%
<i>Other</i>	9	5.110	0.51%
- Drugs	2	0.290	0.03%
- Refugees	7	4.820	0.49%
<b>TOTAL</b>	<b>18</b>	<b>7.509</b>	<b>0.76%</b>

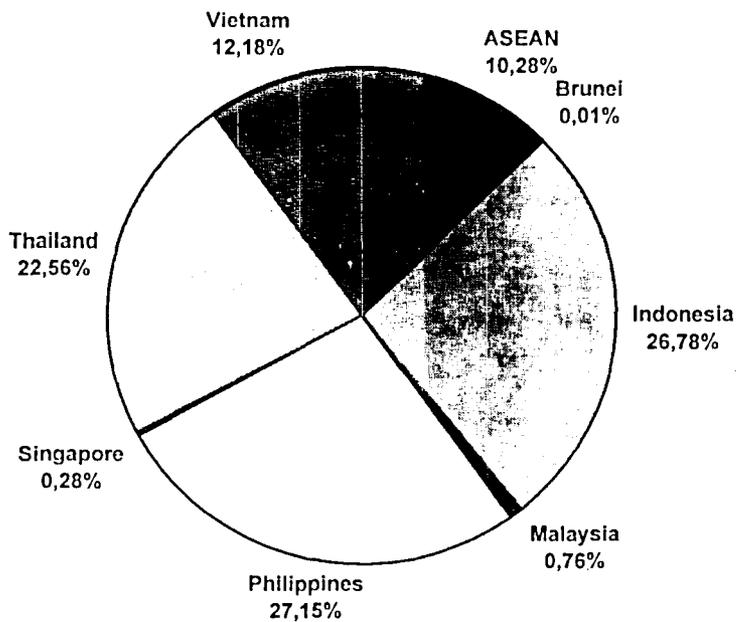
<b>PHILIPPINES</b>			
<b>Co-operation type</b>	<b>Nº. of Actions</b>	<b>EC Funding (MECU)</b>	<b>% of Total</b>
<i>Economic co-operation</i>	21	20.475	2.06%
- Improvement of General Cooperation Framework	1	0.990	0.10%
- Business-to-Business Coop	20	19.485	1.96%
<i>Development co-operation</i>	19	243.611	24.54%
- Forests	2	28.000	2.82%
- Irrigation	1	4.500	0.45%
- Integrated Rural Developm	12	179.900	18.12%
- Rural Production	1	3.246	0.33%
- Rural Services	1	0.565	0.06%
- Social Development	2	27.400	2.76%
<i>Other</i>	24	5.463	0.55%
- Drugs	10	2.520	0.25%
- Human Rights	9	0.523	0.05%
- Refugees	5	2.420	0.24%
<b>TOTAL</b>	<b>64</b>	<b>269.549</b>	<b>27.15%</b>

SINGAPORE			
Co-operation type	Nº. of Actions	EC Funding (MECU)	% of Total
<i>Economic co-operation</i>	2	2.770	0.28%
- Business-to-Business Coop	2	2.770	0.28%
<b>TOTAL</b>	<b>2</b>	<b>2.770</b>	<b>0.28%</b>

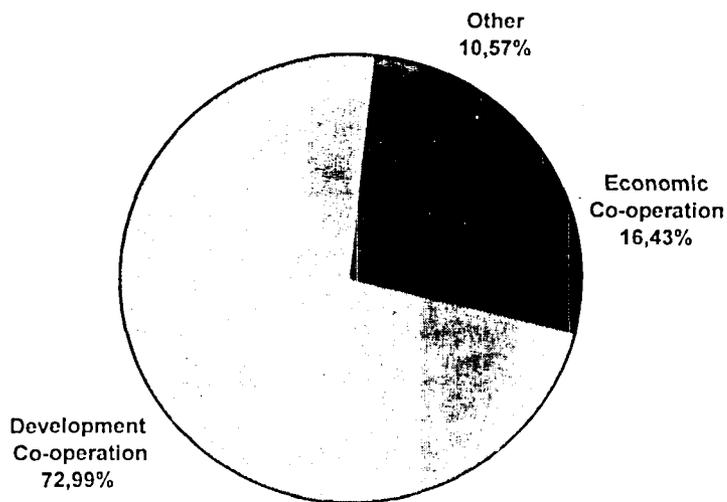
THAILAND			
Co-operation type	Nº. of Actions	EC Funding (MECU)	% of Total
<i>Economic co-operation</i>	22	23.060	2.32%
- Improvement of General Cooperation Framework	3	3.939	0.40%
- Trade & Investment Facilitation	5	5.391	0.54%
- Business-to-Business Coop	12	8.931	0.90%
- Other actions	2	4.800	0.48%
<i>Development co-operation</i>	30	181.866	18.32%
- Forests	1	0.902	0.09%
- Irrigation & Rural Infrastructure	8	67.650	6.81%
- Rural Production	15	48.154	4.85%
- Rural Services	5	65.036	6.55%
- Social Development	1	0.121	0.01%
<i>Other</i>	24	19.014	1.92%
- Drugs	10	3.333	0.34%
- Refugees	14	15.682	1.58%
<b>TOTAL</b>	<b>76</b>	<b>223.940</b>	<b>22.56%</b>

VIETNAM			
Co-operation type	Nº. of Actions	EC Funding (MECU)	% of Total
<i>Economic co-operation</i>	11	21.764	2.19%
- Trade & Investment Facilitation	8	21.314	2.15%
- Business-to-Business Coop	3	0.450	0.05%
<i>Development co-operation</i>	35	30.079	3.03%
- Disaster Response	1	0.388	0.04%
- Forests	3	18.960	1.91%
- Irrigation & Rural Infrastructure	2	0.379	0.04%
- Integrated Rural Developm	4	0.921	0.09%
- Rural Production	4	2.917	0.29%
- Rural Services	4	1.239	0.12%
- Social Development	17	5.275	0.53%
<i>Other</i>	7	69.084	6.96%
- Drugs	1	0.222	0.02%
- Refugees	6	68.862	6.94%
<b>TOTAL</b>	<b>53</b>	<b>120.926</b>	<b>12.18%</b>

Breakdown of EU financial assistance in ASEAN



Breakdown by Sector



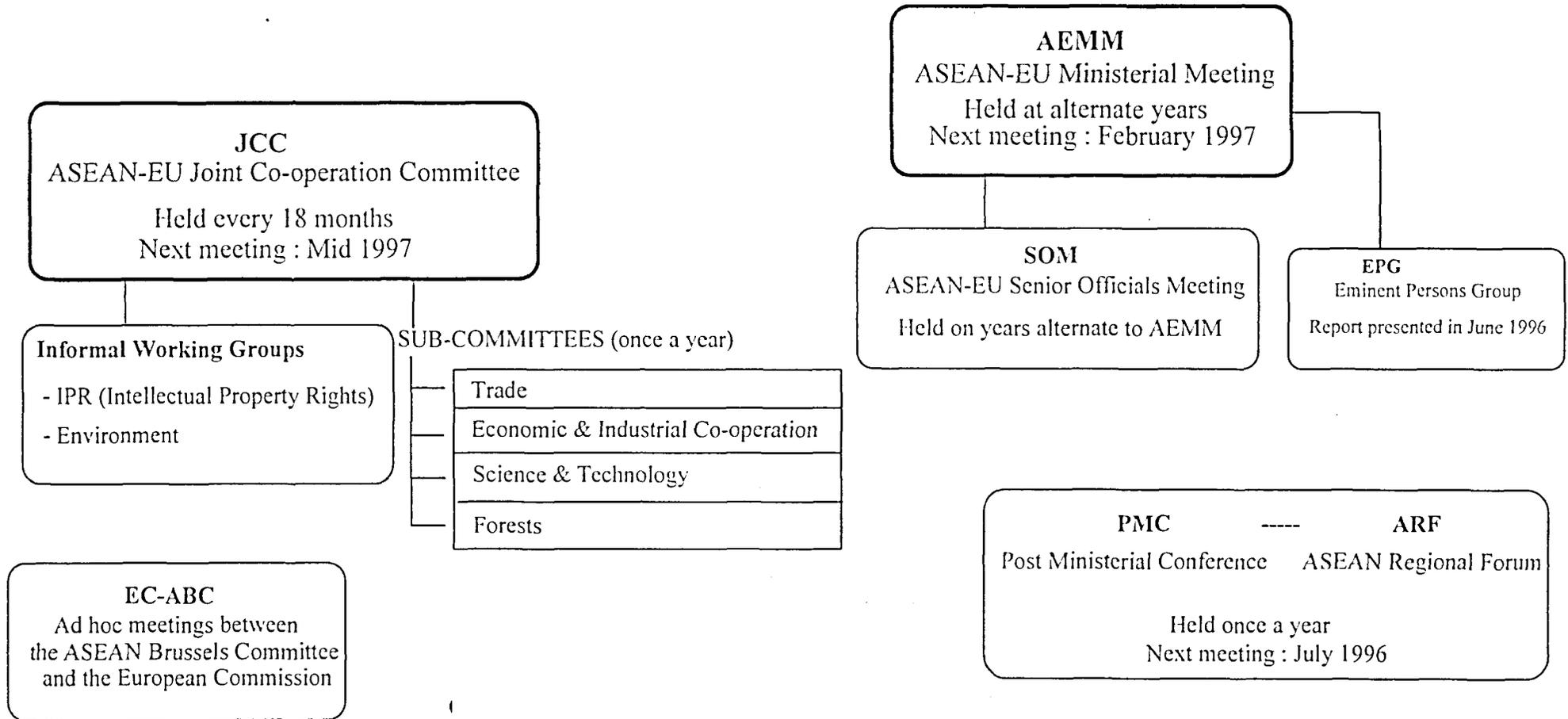
## FINANCIAL ASSISTANCE EVOLUTION (MECU)

	Economic Co-operation	Development Co-operation	Other	Total
1976 - 1979		32.24 100%		32.24 100%
1980 - 1983		135.61 100%		135.61 100%
1984 - 1987	9.94 6.59%	139.90 92.75%	1.00 0.66%	150.83 100%
1988 - 1991	33.79 14.99%	161.54 71.66%	30.08 13.36%	225.41 100%
1992 - 1995	112.96 24.51%	330.28 71.66%	17.67 3.83%	460.91 100%

Source: European Commission

**Annex 8 - The Institutional Structure of EU-ASEAN Relations**

THE INSTITUTIONAL STRUCTURE OF EU-ASEAN RELATIONS



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