

EC-ASEAN RELATIONS

Commercial Cooperation

The present volume of trade between EC and ASEAN is of the order of 42 billion ECU (more than 50 billion USD; 1992 figures), 2.2 times the volume of trade of 5 years ago (1987) and three times the volume of trade of 1980 when the EC/ASEAN cooperation agreement was concluded.

More recent figures show that ASEAN enjoys of a remarkable trade surplus: 3.1 billion ECU in 1992, the triple of 1987.

The EC ranks third among the trade partners of ASEAN, after Japan and the U.S. It covers 15.4% of ASEAN exports and 17.2% of ASEAN imports.

ASEAN exports of manufactured goods to the EC increased from 23% in 1975 to a present 59% of total exports. Exports of ASEAN textiles in particular rose from 4% to 14% of total ASEAN exports to the EC while raw materials decreased from 36% to present 13%. More than one third of ASEAN exports to the EC enjoy tariff concessions under the EC/GSP Scheme.

Between 1980 and 1991/92 import from ASEAN countries of electrical equipment, rose by 519%, manioc by 26% and palm oil by 123% (in value).

Between 1990 and 1991, import of textiles and garments, rose by 37% (3.1 billion ECU in 1991).

The Community and its Member States welcome the creation of the ASEAN Free Trade Area (AFTA) which began last January. It will certainly contribute to enlarge and open the ASEAN internal market (intra-ASEAN trade account for less than 20% of total ASEAN trade, and about half of that is Singapore entrepôt trade).

The economic growth potential of the region once the Free Trade Area among the nations of ASEAN will be completed is enormous. The progressive integration of the neighbouring countries economies such as Vietnam, Laos and Cambodia will increase further ASEAN's role in the world economy.

Economic Cooperation

In recent years, the EC and ASEAN have laid emphasis on securing the active participation of the private sector in order to strengthen the EC's presence in south-east Asia and allow ASEAN countries to diversify their links and business in Europe.

A number of initiatives have been taken to encourage greater European investments in the ASEAN countries.

EC investments in ASEAN continue to growth during 80, but declined in relative share, except in Singapore, as investments from other sources grew more rapidly. (EC investment in ASEAN are concentrated in oil related activities, chemical, pharmaceutical, processed food, electrical and electronic products, automobile, banking and finance).

For the first time in 1993, the European Investment Bank (E.I.B.) is due to operate also in the ASEAN on ad hoc basis and or investment projects of special interest to ASEAN and the EC.

The EC's financial facility to promote joint ventures, the EC International Investment Partners (EC-IIP), is providing a stimulant to European investments in ASEAN. This facility is particularly aimed at promoting joint ventures, between small and medium-sized companies. Some 20 projects involving companies in ASEAN are already in the pipeline.

EC ASEAN Economic Cooperation Programme cover various sectors (human resources - environment - agriculture and forest - energy - transport and communication - trade and tourism - science and technology). On the overall 84 million ECU (100 million USD) have been mobilised by the EC to carry out more than 50 regional projects in regard to ASEAN.

In 1993, four important projects have been finalised for a total amount of 7 MECU (8.4 million USD).

- improvement of Natural Resource conservation,
- ASEAN Air traffic control,
- ASEAN Tourism Training Projects.

Development cooperation (regional)

Development cooperation is an important feature of the EC-ASEAN relationship. However, the largest part of EC aid will continue to finance bilateral projects, specifically designed to meet the needs of individual countries.

In 1992 alone, the EC committed with regard to ASEAN and to its individual member countries a total amount of 180 MECU (216 million USD), all under the form of grants.

EC aid to regional ASEAN projects to focuses on transfer of technology, human resources development and environmental protection; fight against drugs.

See tables in annex.

BASIC DATA ON ASEAN**Land area** : 3,176,342 sq. km**Population** : 342 million inhabitants (est. 1990)**GNP** : 358.7 mill US\$ in 1991 at market prices (est.)
of which

- Indonesia =	32%
- Thailand =	28%
- Philippines =	13%
- Malaysia =	13%
- Singapore =	13%
- Brunei =	1%

GDP per capita in 1991 (est.):

Brunei	17,000 US\$
Indonesia	605 US\$
Malaysia	2,755 US\$
Philippines	745 US\$
Singapore	16,454 US\$
Thailand	1,763 US\$

Average annual rates of growth of GDP. (in %) :
(source : ADB)

	1980-83	1983-84	1984-85	1989-90
Brunei	15.1	n.a.	n.a.	1.0
Indonesia	5.1	+5.8	+4.0	7.4
Malaysia	6.7	+7.2	-1.1	9.8
Philippines	4.3	-5.2	+4.4	3.1
Singapore	8.8	+8.2	+1.9	8.3
Thailand	6.4	+6.0	+3.2	10.0

ASEAN's EXTERNAL TRADE (value in mill. US \$)

(source : IMF DOT)

	1973	1983	1985	1988	1989	1990*
Exports	13.4	71.8	70.9	103.1	121.5	141.2
Imports	14.2	76.6	63.4	99.2	127.0	160.5
Trade bal.	-0.8	-4.8	+7.5	+3.9	-5.5	-19.3

MOST IMPORTANT TRADING PARTNERS OF THE ASEAN COUNTRIES (in %)

(source : UN 73-83/ IMF DOT)

	<u>Exports</u>					<u>Imports</u>					
	1973	1983	1985	1989	1990*	1973	1983	1985	1987	1989	1990*
USA	15.6	19.5	19.8	21.3	21.5	16.2	15.9	15.2	15.8	15.4	14.7
JAPAN	28.6	27.6	26.1	18.9	19.0	25.6	20.8	20.9	22.5	23.6	23.4
EEC	15.6	9.0	11.1	14.5	15.4	17.1	11.8	14.1	14.3	13.7	17.2
ASEAN	17.4	18.8	18.4	18.3	18.4	12.4	17.6	18.9	16.1	16.2	14.9

(*) Provisional figures

COMMUNITY TRADE WITH ASEAN (1) (includes Brunei since 1983)

(in million ECU)

	1980	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
EC	5,369	9,269	9,886	9,810	8,495	8,906	10,689	4,110	16,083	17,282	19,278
Exports											
EC	6,857	7,919	9,662	9,972	9,212	10,037	12,203	15,173	16,748	19,947	22,403
Imports											
Trade bal.	-1,488	+1,350	+224	-162	-717	-1,131	-1,514	-1,063	-665	-2,665	-3,125

(1) % of total extra EC exports

in 1983 : 3.0% - in 1984 : 2.8% - in 1985 : 2.6% - in 1986 : 2.5%

in 1987 : 2.6% - in 1988 : 2.9% - in 1989 : 3.4% - in 1990 : 3.8% - in 1991 : 4.1%

in 1992 : 4.4%

(1) % of total extra EC imports

in 1983 : 2.4% - in 1984 : 2.5% - in 1985 : 2.5% - in 1986 : 2.7%

in 1987 : 2.9% - in 1988 : 3.1% - in 1989 : 3.4% - in 1990 : 3.6% - in 1991 : 4.0%

in 1992 : 4.6%

MOST IMPORTANT EC IMPORT GOODS FROM ASEAN (value mill ECU)

	1973	1980	1985	1986	1987	1989	1990	1991
Electrical machinery	77	644	1392	1268	1478	2706	3282	3988
Wood simply worked	258	600	686	630	767	970	754	612
Manioc	98	545	898	799	882	533	878	688
Rubber	292	60	673	608	627	734	522	492
Clothing incl. leather cloth	29	388	515	597	984	1618	1874	2639
Feeding stuff for animals	79	206	256	290	252	260	253	257
Tin	109	426	375	195	115	150	108	83
Palm Oil incl. Kernel Oil	121	264	793	474	410	665	562	589
Textiles	13	148	304	288	329	475	629	751

OFFICIAL DEVELOPMENT ASSISTANCE

Net Disbursements (values mill US\$)

(total of ODA to ASEAN member states)

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
EEC+ MS	152.4	150.3	258.6	394.7	438.1	413.3	357.1	326.1	328.1	500.3	441.3	691.3	859.9	769.1
USA	240.0	221.0	243.0	184.0	173.0	154.0	235.0	225.1	202.0	444.0	290.0	254.0	311.0	268.0
Japan	270.1	449.8	572.1	703.4	799.9	684.2	726.8	833.3	798.9	912.3	1676.7	2128.3	2296.1	2145.6

Source : OECD

EC AID TO ASEAN (regional cooperation)

commitments in MRCU	<u>78/79</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>TOTAL</u>
ECONOMIC COOPERATION																
Fin. & Techn. coop	0.90		7.10	0.03	7.50			12.42					3.9			31.85
Trade promotion						1.00	1.71	0.38	0.93	2.49		1.76	1.49	6.51		16.27
Regional Integration			0.31	0.46	0.57	0.33	0.56	0.36	0.55	0.25	0.28	0.08	0.22	0.74		4.71
Energy							0.42			0.50		0.90	1.58	1.24		4.64
Training										2.50		4.3	3.29	0.63		10.72
Economic coop.				0.59	0.59	0.50	0.67	1.28	1.13	1.16	2.38	0.12	0.22	1.79		10.43
STD										0.10		0.14				0.24
Drugs									1.45		0.49	0.12				2.06
Energetic programme										0.03	0.74	0.49				1.26
ECIP										0.18	0.19	0.46	0.3	0.02		1.15
Technology inf											0.33					0.33
	0.90		7.41	1.06	8.06	1.83	3.36	14.24	4.06	7.21	4.41	5.37	5.10	10.23		65.66

EC aid to ASEAN and ASEAN countries						
commitments in mecus	76-80	81-85	86-90	1991	1992	TOTAL
ASEAN (regional projects)	0,90	22,34	38,49	11,00	10,93	83,66
ASEAN Member countries projects	71,90	205,58	329,15	37,18	122,03	766,84
TOTAL	72,80	227,92	367,64	48,18	132,96	820,50

EC aid to ASEAN and ASEAN countries						
commitments in mecus						
	76-80	81-85	86-90	1991	1992	TOTAL
Development cooperation	59,94	159,50	239,99	23,43	80,71	563,57
Humanitarian aid	8,59	44,13	36,23	5,68	12,20	106,83
Economic cooperation	4,27	24,29	91,42	19,07	40,05	179,10
TOTAL	72,80	227,92	367,64	48,18	132,96	849,50