

Community Represented at ASEAN Ministerial Conference

Vice-President Wilhelm Haferkamp will, together with Mr Peter Barry; the Irish Foreign Minister and current President of the Council, represent the Community at the ASEAN Post-Dialogue Meeting in Jakarta on 12-13 July 1984.

This meeting is the annual meeting organised by the ASEAN Foreign Ministers to meet with their counterparts of the countries with which they have a regular dialogue.

The Community, the United States, Canada, Japan, Australia, and New Zealand will all be represented by their Foreign Ministers.

The Development of ASEAN-EC Relations

With certain exceptions the Community did not have a traditional special relationship with the developing countries of South East Asia, in the way it had with the Lome convention countries or the countries of the Mediterranean Basin, but a desire was felt in the early 70's to develop closer relations with the area and with the ASEAN group in particular.

At that point the ASEAN side took the initiative in setting up a coordinating committee in Brussels to deal jointly with the Community. This set in motion a dialogue at the political level through exchanges of visits between Commissioners and ASEAN ministers.

But it was after the Bali Summit, where the ASEAN countries decided to broaden their contacts with the EC, that the relationship gained momentum. The Community proposed that regular meetings should take place at ministerial level to discuss economic and political questions, a proposal which the ASEAN countries welcomed. The first of these meetings, which took place in Brussels in November 1978, set in motion the negotiation of a broad cooperation agreement between the two groups. The resulting agreement was signed on 7 March 1980 and came into force in October of the same year.

The main features of this agreement which is non-preferential are:

- Most Favoured Nation treatment according to GATT;
- commercial cooperation (the parties undertake for example to study how to remove trade barriers, to take into account their respective needs to improved access, create new trade patterns by bringing together economic operators, recommend trade promotion measures and consult on measures likely to affect trade);
- economic cooperation (e.g. encouraging closer contacts and industrial and technological cooperation between firms in the two regions);

- development cooperation (support for ASEAN development and regional cooperation through the Community's programmes for non-associated LDC's in coordination with Member States, proportion of cooperation between sources of finance in the two regions);
- a Joint Cooperation Committee to promote and keep under review the various cooperation activities and to provide a forum for consultations between the parties.

The experience of holding joint ministerial meetings has been repeated three times since 1978. The other meetings took place in Kuala Lumpur in March 1980 following the signing of the Cooperation Agreement, in London in October 1981 and in Bangkok in March 1983.

These conferences, which are the only ones of their type for the Community, have adopted joint statements concerning the situation in South East Asia as well as statements on economic matters.

To promote relations between the Community and Asia, and in particular the links between the EEC and ASEAN, the European Commission established a delegation at Bangkok in September 1979.

Commercial and Economic Cooperation

Trade Cooperation

The Community has made a substantial effort, in the framework of its Generalised System of Preferences, to provide for easier access to the Community market for products of special interest to the ASEAN countries. It has done this both by the extension of the scheme to new products and by a modification of the rules of origin to encourage inter-ASEAN cooperation. These efforts have borne fruit as ASEAN is now the largest beneficiary of the Community's GSP.

Trade Promotion

In recent years, the Community has substantially improved and extended its schemes to promote exports from the ASEAN region to the Nine. These schemes include the organisation of exporters' trade missions and European buyers' missions to ASEAN, participation in European fairs, on average two workshops every year, the provision of experts in various fields, the offer of trade centres and aid for publicity programmes.

The Community has also recently modified its trade promotion policy to encourage regional actions. Accordingly, on top of the trade promotion actions organised for the individual ASEAN countries (a total of 1.55 MECU in 1983) a further 700 000 ECU was allocated in 1983 for regional trade promotion actions.

Industrial Cooperation

It is in the area of investment and industrial cooperation that the most significant cooperation has so far taken place. Three ASEAN-EEC conferences on industrial cooperation which bring together industrialists and bankers from both regions have taken place in Brussels in 1976, Jakarta in 1979 and Kuala Lumpur in 1983. Three seminars on investments in ASEAN countries took place in London, Bonn and Paris in April 1984.

Following contacts between the chambers of commerce of both regions, an ASEAN-EC Business Council has been set up to bring together industrialists from the two regions to encourage the development of reciprocal trade and investment. It met for the first time in Jakarta in December 1983, where it agreed its frontiers for future work. These include the publishing of a joint membership directory, the organisation of investment seminars, a study on ways to stimulate trade and studying possibilities for joint ventures.

Financial and Technical Assistance

In the context of its budget in favour of non-associated countries, the Community has financed development projects in three ASEAN countries which are eligible for such aid (Indonesia, Thailand and the Philippines). This aid has increased constantly since 1976 and was initially granted bilaterally. Since 1979 it has also been granted for regional projects benefitting the ASEAN countries as a whole. ASEAN countries benefit from about 20% of the global aid granted to all non-associated countries.

Food Aid

Since 1977 the Community has regularly granted food aid to certain ASEAN countries in function of their needs. In this context, Indonesia received 15 000 tonnes of cereals from the Community in 1983.

Textiles

The Community and the 5 ASEAN countries are members of the Multifibres Arrangement and in this framework negotiated, at the end of 1982, bilateral agreements covering the period 1983-86. These agreements provide for clearly defined access for textile products from the ASEAN countries in return for a certain self restraint by their exporters. A unique feature of these agreements is the importance attached to inter-ASEAN cooperation by a provision allowing ASEAN states to exchange export quantities among themselves to ensure their fullest utilisation. The provisions of these agreements are being autonomously applied by all parties until the agreements are formally concluded.

Trade Relations

Trade between the Community and ASEAN has shown remarkable growth since 1973. The Community's imports from ASEAN went up 340% while her exports went up 435%. For most of this period the Community has had a trade deficit with ASEAN though it has registered a surplus since 1981.

ASEAN's main exports to the Community are lumber, electric machinery, manioc, natural rubber, clothing, coffee, textiles. These 7 products account for almost two thirds of ASEAN exports to the EEC. ASEAN is an important supplier of raw materials for the Community being a principal supplier for tropical hardwood, natural rubber, abaca fibres, palm oil and coconut.

Trade between the Community and ASEAN
(Million ECU)(*)

	1973	1976	1979	1980	1981	1982	1983
EC imports	1787	3357	5511	6290	6642	7076	7873
EC exports	1687	3102	4352	5321	7081	8358	9049
Balance	-100	-255	-1159	-1599	434	1282	1176

Source: EUROSTAT

(*) The exchange rate ECU/dollar varies daily as the various EC currencies, which make up the ECU, vary against the dollar. One ECU was worth US\$ 1.2 in 1973, US\$ 1.37 in 1979 and US\$ 1.39 in 1980, US\$ 1.12 in 1981, US\$ 0.98 in 1982 and US\$ 0.89 in 1983.