

Brussels, 14. November 1984

**EC-ASEAN Ministerial Meeting**

The Foreign Ministers of the European Community and of the six countries of ASEAN(\*) will meet in Dublin on 15/16 November 1984. The Commission will be represented at this meeting by Vice-President Wilhelm Haferkamp.

This is the fifth meeting of its kind between the Foreign Ministers of ASEAN and of the Community and affords the participants an opportunity to hold wide-ranging discussions on political and economic issues.

It will also provide the occasion for the signing of a Protocol to the EC-ASEAN Cooperation Agreement extending its provisions to ASEAN's newest member Brunei.

The talks will concentrate on the world economic situation particularly as it affects the developing world and on various questions of bilateral interest including investments, access to markets, transfer of technology and development assistance programmes. On the political front, discussions will centre on a joint analysis of developments in South East Asia, Afghanistan, the Middle East and the Pacific Region and the state of East-West relations. It is expected that the conclusions of the meeting will be published in a public statement.

Previous meetings of this type have taken place in Brussels (November 1978), Kuala Lumpur (March 1980), London (October 1981) and in Bangkok (March 1983).

(\*) Indonesia, Malaysia, Philippines, Singapore, Thailand and Brunei which joined ASEAN on 7 January 1984 after becoming an independent state.

### The Development of EC-ASEAN 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.

It was after the 1976 Bali Summit, when the ASEAN countries decided to broaden their contacts with the EC, that the relationship gained momentum. A Community proposal for regular meetings at ministerial level to discuss economic and political questions, was welcomed by the ASEAN countries. 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 Community, represented by members of the Commission and the acting President of the Council, also takes part in the annual Post-Dialogue meeting which brings together the Foreign Ministers of ASEAN and their counterparts from the Community, the United States, Canada, Japan, Australia and New Zealand.

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.

### The EC-ASEAN Cooperation Agreement of 1980

The Cooperation Agreement is the cornerstone on which EC-ASEAN relations are based. The two partners have made strenuous efforts to take advantage of the economic integration which has taken place in their respective regions and have as far as possible incorporated this regional aspect into their cooperation.

The agreement is made up of a number of chapters which establish cooperation in the trade, economic and development areas.

### Trade Cooperation

Both sides grant each other the benefit of the GATT Most Favoured Nation clause.

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 Ten. 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 programme for future work. This includes the publishing of a joint membership directory, the organisation of investment seminars, a study on ways to stimulate trade and the examination of possibilities for joint ventures.

### Development Cooperation

The Community committed itself to support actively, in coordinations with the Member states, the development of the ASEAN region and, wherever possible, to bring together financial institutions in the two regions. The Community has provided aid under two main headings:

#### - Financial and Technical Assistance

In the context of its budget in favour of non-associated countries, the Community has financed development projects in the 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.

The Community has allocated, since 1976, some 185 MECU of aid to projects in the ASEAN region, almost 20% of its available funds under this budgetary heading.

#### - 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.

### Joint Cooperation Committee

A Joint Cooperation Committee has been established to promote and keep under review the various cooperation activities and to provide a forum for consultations between the parties.

### Bilateral Textile Agreements

The Community and 5 ASEAN countries, (all except Brunei), 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 1976. The Community's imports from ASEAN went up 136% while her exports went up 180%. 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, palm oil and coconut. Community exports to ASEAN consist mainly of machinery, transport equipment and chemicals.

Trade between the Community and ASEAN

(million ECU)

EC-IMPORTS

	1976	1978	1980	1982	1983	1984 (3 months)
Indonesia	637	846	1189	1190	1380	514
Malaysia	1155	1296	1773	1765	2061	732
Singapore	513	631	1846	1381	1770	470
Philippines	468	569	813	998	1091	345
Thailand	581	890	1232	1740	1569	493
ASEAN	3354	4234	6854	7076	7873	2554

EC-EXPORTS

	1976	1978	1980	1982	1983	1984 (3 months)
Indonesia	1070	945	1251	2874	2270	594
Malaysia	470	729	1035	1297	1644	433
Singapore	1017	1058	1712	2530	2762	758
Philippines	384	542	591	777	1103	147
Thailand	340	583	725	876	1267	318
ASEAN	3281	3859	5316	8357	9049	2250

EC-BALANCE

	1976	1978	1980	1982	1983	1984 (3 months)
Indonesia	432	98	63	1684	890	80
Malaysia	-685	-567	-738	-467	-417	-299
Singapore	504	426	-134	1148	992	288
Philippines	-84	-26	-222	-220	11	-198
Thailand	-241	-306	-506	-863	-301	-175
ASEAN	-73	-375	-1538	1281	1176	-304

Trade between the Community and Brunei

	1976	1978	1980	1982	1983	1984 (3 months)
EC-Imports	1	1	3	26	46	8
EC-Exports	33	39	53	112	219	93
EC-Balance	32	38	50	86	173	85

(\* ) 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.

