



# South East Asia



## EUBUSINESSAVENUES IN SOUTH EAST ASIA

### EU-ASEAN Relations

In the past years, ASEAN has become an increasingly important trading partner of the EU. In 2013, the EU exported goods worth € 81.8 billion and imported goods totalled € 96.8 billion, reaching an overall volume of trade in goods and services of € 235 billion in 2013. The EU's main exports to ASEAN are machinery and transport equipment and chemical products.

The main imports from ASEAN to the EU are machinery and transport equipment, agricultural products as well as textiles and clothing.

To deepen trade relations, the European Commission received the mandate to negotiate a Free Trade Agreement (FTA) with ASEAN as a region in April 2007. It turned out to be an overly ambitious goal to reach an agreement within two years.

The negotiations came to a halt in early 2009 and it was decided to continue negotiations bilaterally. In December 2012, the bilateral FTA negotiations between the EU and Singapore were successfully completed. Malaysia, Thailand and Vietnam entered FTA negotiations with the EU between 2010 and 2013. Nonetheless, the EU remains open to start negotiations with the other partners in the region in order to conclude a regional agreement one day.

## **Indonesia**

Indonesia is the largest economy in ASEAN representing 40% of its GDP and population. Nonetheless, it is only the 31st overall trading partner of the EU and the fifth largest partner of the EU in ASEAN with a bilateral trade in goods of € 23.8 billion in 2013. The EU mainly exports machinery and transport equipment accounting for an overall export share to Indonesia of 56.6%. Exports of machinery and transport equipment are followed by exports in chemicals and related products accounting for only 14.3%.

Other relevant trading goods are manufactured articles and animal and vegetable oils, fats and waxes. Since 2011, the EU and Indonesia are exploring the possibility to deepen economic relations by negotiating a comprehensive FTA.

## **Singapore**

Singapore is considered as the gateway into a dynamically growing region. It is the EU's number one trading partner in ASEAN and its 17th trading partner worldwide trading goods worth € 44.8 billion. Trade between the EU and Singapore is dominated by trade in industrial goods. 99% of all goods imported by the EU from Singapore fall under the category of industrial goods.

Main products being traded are machinery and transport equipment as well as chemicals and related products. Singapore's economy is in many sectors already considered as being relatively open to international trade. Through the recently concluded FTA between the EU and Singapore many European companies will benefit from preferential market access. Some 8,800 EU companies are established in Singapore and use it as hub to serve the region.

### [Environment & Water Technologies in Singapore \[1\]](#)

## **Vietnam**

In June 2012, the EU and Vietnam officially launched negotiations for an FTA following the conclusion of a Partnership and Cooperation Agreement in June 2012. The EU and Vietnam are trading goods equivalent to € 28.5 billion, which makes Vietnam the 29th largest trading partner of the EU and the fourth largest trading partner in ASEAN.

The EU largely exports high tech products including electrical machinery and equipment, aircraft, vehicles and pharmaceutical products. Whereas, Vietnam's key export products to the EU include telephone sets, electronic products, footwear and textiles and clothing.

### [Environment & Water Technologies in Vietnam \[2\]](#)

## **Malaysia**

In 2014, Malaysia was the EU's 23rd largest trading partner with a trading volume in merchandise of € 33 billion. This makes Malaysia the second largest trading partner of the EU in ASEAN. Bilateral

trade between the EU and Malaysia is dominated by industrial products like machinery and appliances as well as electrical equipment, all of which account for more than 90% of trade.

In October 2010, the EU and Malaysia officially launched FTA negotiations, in parallel with negotiations for a Partnership and Cooperation Agreement.

## Thailand

A Partnership and Cooperation Agreement was concluded in February 2013 between the EU and Thailand. The Agreement is underlined with the launch of negotiations for a FTA in March 2013. Thailand is the 24th largest trading partner of the EU and the 3rd largest in ASEAN with a trade volume of € 30.9 billion.

The top five products exported by the EU to Thailand are machinery and appliances (33.7%), chemical products (13.6%), transport equipment (11.9%), base metals (8.4%) and precious metals (5.2%).

## Philippines

The European Union signed a partnership agreement with the Philippines in July 2012. The EU-Philippines Partnership and Cooperation Agreement is an important milestone that outlines the EU's engagement with South-East Asia and its intent to formalise a solid political and commercial partnership with the area.

Total exports by the EU to the Philippines in 2014 reached close to € 7 billion, resulting in a trade surplus in excess of € 1 billion, and the top five export products comprised of transport equipment (30.8%), machinery and appliances (27.9%), chemical products (10.1%), food and beverages (6.2%) and live animals and animal products (6%).



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