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BULLETIN

EU-ASEAN Summit: Taking a Step Towards an Effective Partnership

Damian Wnukowski

The leaders of EU Member States and ASEAN met in Brussels on 14 December for the first ever summit of the two organisations. They announced a decision regarding the EU's involvement in the development of infrastructure in ASEAN countries and confirmed their will to implement a joint action plan for 2023-2027. However, there were discrepancies regarding the participating states' approaches to Russia's aggression against Ukraine, which shows the limitations of bilateral cooperation on global issues.

The summit in Brussels was to commemorate this year's 45th anniversary of the establishment of relations between the EU and ASEAN. It was the first meeting at the level of heads of state and government in the history of relations between the two organisations (only a representative of the military junta ruling Myanmar was not invited), organised as part of the EU-ASEAN Strategic Partnership announced in December 2020. It took place a month after a series of ASEAN summits in the capital of Cambodia, Phnom Penh, where the leaders of the organisation's countries met with, among others, U.S. President Joe Biden, whose administration seeks to strengthen relations with the group. In addition, in November, meetings were held with leaders of the G20 in Bali and APEC in Bangkok, where the president of China, Xi Jinping, also held talks with the leaders of some ASEAN countries. The summit was preceded by the signing in October of an EU-ASEAN Comprehensive Air Transport Agreement-the world's first deal of this kind between regional organisations. The talks in Brussels also took place in the context of the ongoing war in Ukraine, as well as amid the tense situation concerning Taiwan.

Main Results of the Summit. The EU and ASEAN stressed their desire to develop a strategic partnership based on common values, including an order based on international law and multilateralism. They also announced the strengthening of cooperation in many areas, including the development of connectivity. The most concrete result of the summit was the announcement by EU institutions and

Member States, as Team Europe, to mobilise €10 billion in the form of grants and low-interest loans on infrastructure projects in Southeast Asia. The investment areas will include energy, transport, and digitalisation, meant to support sustainable economic development in the region. The funds will come from the EU's <u>"Global Gateway"</u> programme, including its Sustainable Connectivity Initiative. The parties also agreed that their goal would be to conclude a trade agreement covering both regions (the EU currently has agreements with Singapore and Vietnam, and is negotiating pacts with several other ASEAN members). They also indicated their readiness to develop common standards, for example, for data flows.

On the issue of Russia's aggression against Ukraine, the EU and ASEAN states confirmed their positions expressed at the UN forum. The communiqué from the summit noted that "most members" strongly condemned the war, while some had "other views and different assessments of the situation and sanctions" (similar provisions were included in the communiqué of the November G20 summit). This points to persistent differences between the EU and some ASEAN member states. It should be recalled that Vietnam and Laos abstained from voting on the UN General Assembly resolution of 2 March condemning Russia's aggression, and both of these countries and Thailand abstained in the 12 October vote on a resolution criticising the illegal <u>pseudoreferendums</u> held in four Ukrainian regions. However, all participants of the summit called for respecting Ukraine's

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sovereignty, independence, and territorial integrity. They also stressed the importance of maintaining stability and peace in the South China Sea, on the Korean Peninsula, and resolving the crisis in Myanmar. However, the final communiqué lacked a reference to the situation concerning Taiwan, which may be the result of ASEAN countries' reluctance to antagonise China.

There were also several events on the sidelines of the summit. The EU signed Partnership and Cooperation Agreements with Thailand and Malaysia. They provide legal grounds for expanding cooperation and dialogue with these countries (the EU has similar agreements with four other ASEAN members—Indonesia, Vietnam, the Philippines, and Singapore). In addition, on 13 December, a business summit was held in Brussels, attended by some leaders and highranking representatives of the EU, as well as the first EU-ASEAN Youth Summit. Earlier, on 12 December, a hybrid meeting of EU and ASEAN representatives was held on cooperation in the field of education. These events emphasise the importance that both sides attach not only to the development of trade and investment cooperation but also people-to-people relations, including in the field of education and youth exchange. These issues have featured prominently in the final communiqué of the leaders meeting.

Opportunities and Challenges for EU-ASEAN Cooperation. The leaders summit is an important step in the development of EU-ASEAN relations. It enables decision-making regarding joint actions at the highest level, demonstrated by the announcement of infrastructure development in ASEAN countries. Arrangements made between leaders are also more likely to be implemented effectively. However, it will be necessary to maintain regular meetings (at least once a year) to contribute to assessing the undertaken activities, introducing corrections, initiating new activities, etc., and thus filling the strategic partnership with content. This may apply to the action plan for 2023-2027 adopted in August this year. It includes activities concerning pandemic recovery, sustainable trade, security and the rules-based order, and sustainable connectivity.

Climate change should be one of the main areas of cooperation in the longer term—both sides underlined at the summit their commitment to the implementation of the <u>Glasgow</u> and <u>Sharm el-Sheikh</u> climate conference decisions and announced the first environment and climate dialogue at the ministerial level to be held in 2023. ASEAN may also be an increasingly attractive partner for EU companies in moving part of their production from China, a country with which the EU has <u>difficult relations</u> (the EU and ASEAN are each other's third-largest trading partner).

Joint actions on global issues may be hindered by, for example, the persisting differences in the perception of the war in Ukraine, stemming from the links between some ASEAN countries and Russia, among other reasons. However, the EU and its Member States may strive to create an attractive offer for the countries of the region, for example, in the energy sphere or the supply of <u>military</u> <u>equipment</u>, which would limit their relations with Russia. Further challenges for bilateral relations will be the state of respect for human rights in ASEAN countries and their strong economic ties with China.

The EU in the Indo-Pacific. Tightening relations with ASEAN strengthens the EU's position in the Indo-Pacific. The Union recognises the "central role of ASEAN" in the region and shares its vision of the Indo-Pacific as an area of dynamic economic development and opportunities for beneficial international cooperation, but also with numerous security challenges. Cooperation between the two organisations, focusing on economic and people-to-people issues, as well as non-traditional security threats (e.g., cybersecurity, health, natural disasters or monitoring of sea trade routes) may contribute to greater stability in the region in the face of the U.S.-China rivalry. The same applies to the EU's participation in the development of infrastructure in Southeast Asia. Although the funds allocated to the projects are relatively small compared to, for example, China's investments, if private capital is involved and attractive projects are prepared, it may magnify the EU's impact in the Indo-Pacific. However, the EU has fewer possibilities in terms of traditional security in the region. The lack of perception of the EU as an actor in this field is evidenced by its absence from security forums initiated by ASEAN, including the East Asia Summit or ASEAN Defence Ministers Meetings Plus.

Poland perceives ASEAN countries primarily as attractive and prospective economic partners that can contribute to greater diversification of its trade and investment relations based largely on the EU market. In 2021, the value of exports of goods from Poland to ASEAN member states reached €1.6 billion and imports as much as €9.2 billion. It is possible to use EU instruments for wider entry into the markets of Southeast Asia, such as trade agreements or through the support of EU missions in the countries of the region. Poland should also support the strengthening of EU-ASEAN ties in other areas, including infrastructure development and nontraditional security threats that may affect the stabilisation of trade routes, important for the Polish economy due to its inclusion in the supply chains of enterprises from other EU countries.

Editors: Sławomir Dębski, Patrycja Sasnal, Rafał Tarnogórski,

Jędrzej Czerep, Łukasz Kulesa, Łukasz Maślanka, Justyna Szczudlik, Daniel Szeligowski, Jolanta Szymańska, Marcin Terlikowski, Damian Wnukowski, Szymon Zaręba, Tomasz Żornaczuk