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EEC 1992: IMPACT ON ASEAN

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EEC 1992: IMPACT ON ASEAN

By Sompong Sucharitkul*

I. Introduction

A. PRELIMINARY OBSERVATIONS

Anyone addressing this topic before an international audience in Singapore, a natural hub for the Association of South-east Asian Nations ('ASEAN') region, is bound to place greater emphasis on the European Community and to add further clarifications for the phrase 'European Economic Community 1992' ('EEC 1992') as a concept than would otherwise be needed, had the venue been reversed to a European forum and the audience preponderantly European. In the converse scenario, more details and greater stress would be required to introduce ASEAN, which on the Asian side of the Pacific Rim needs little or no introduction. To an average American legal scholar, non-European and non-Asian, both EEC and ASEAN would appear to be far removed from the daily mundane concern.

The wording of the title of the present paper is not intentionally couched in any enigmatic riddle. The phrase 'EEC 1992' refers to the deadline which happens to be the current year 1992, when the European Community plans to take the final giant step forward in the establishment of a single internal market.1 By 1 January 1993, the Europe of 12 will become a common market with no internal frontiers, neither economic nor monetary, as the economic and monetary union will be complete for all practical purposes.2

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As the year 1992 is drawing to a close, implementation of the Single European Act 1986 has loomed large as a living reality. By 1 January 1993, the 12 European countries, namely the original six (Belgium, France, Germany, Italy, Luxemburg and the Netherlands) plus the first enlargement in 1972 by three (Denmark, Ireland and the United Kingdom) and the latest additions by 1986 of three southern European states (Greece, Portugal and Spain) will count as one market for purposes of international transfers of goods and services. All existing intra-European trade barriers (tariff and non-tariff) have virtually been removed with hardly any visible traces of frontiers impeding the free flow of intra-Community movements of goods and services including labour. The Single European Act supplements the European Treaties and sets the Community a two-fold objective: to complete the European internal market before 1 January 1993, and to revitalize the common policies. It provides the European Community with the powers needed to build a coherent and efficient economic unit, while at the same time acknowledging the importance of the quality of life in a Community seeking to be more than just an economic entity with necessary provisions on the environment and social policy. On the economic level, the Act has had a revitalizing effect, illustrated by encouraging trends for employment, economic growth and investment. On an institutional level, a few objectives have been achieved: better decision-making, bigger say for the European Parliament, and better execution of policy. In May 1992, the progress made in implementing the Single European Act was virtually completed in all domains, achieving the big market, adopting necessary reforms to make the Single European Act work, and revitalizing Community policies.

Further down the path of integration, once the single internal market is achieved by 1 January 1993, the next step will concentrate on the project of an Economic and Monetary Union ('EMU'), and finally the new efforts for institutional and political development towards a Political Union ('EPU').

While the European Community is not a close society, but is open to all European states, the ‘widening’ trend must await completion of the initial phase of the ‘deepening’ process in various stages. Since the summit in Maastricht on 9–10 December 1991, the European Council successfully concluded two inter-governmental conferences and the Treaty of European Union was signed on 7 February 1992, in Maastricht. The Treaty lays down provisions for the progressive realization of two major projects for the development of the decade. First, the EMU, to be achieved at the latest by 1 January 1999. Phase one already started on 1 July 1990, to achieve economic convergence among member states; phase two starting on 1 January 1994, envisages enhanced monetary co-operation beyond the

tractors and agricultural machinery, foodstuffs, pharmaceutical products, chemical products, construction, and other areas, see ‘Completing the Internal Market 1992,’ Commission of the European Communities, Vol 4, December 1990.
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obligations of the exchange rate mechanism of the European Monetary System (‘EMS’) and the creation of the European Monetary Institute to prepare for the final phase to start in 1997 if the majority of member States are found by 1996 to be in compliance with all the conditions set in the Treaty. On 1 January 1999, the creation of a European Central Bank will precede the introduction of a single currency.

The second major project, the EPU, which falls short of expectations of the ‘federalists’ among the European states, is contained in the new Treaty which creates the basis for the development of a common Foreign and Security Policy, thereby opening a new front for cooperation among member states on legal and home affairs, including immigration, asylum, narcotics and international crimes. These and new items such as defence policy in legal and home affairs will be reviewed at another intergovernmental conference to be convened in 1996.

The Treaty on European Union requires further efforts to achieve the realization of the EMU and EPU in economic and financial terms as well as in political terms. The European Council in Maastricht announced the path for future enlargement and declared that negotiation on the basis of the Treaty now agreed could start as soon as the Community terminated its negotiation on its own resources and related issues in 1992, especially the new financial package for 1993–1997 providing for the raising of global ceiling of possible EEC expenditure from 1.2% GNP in 1992 to 1.37% GNP in 1997, an increase of 20 billion European Currency Units (1 ECU = US$1.23).

Awaiting consideration for membership are Turkey (14 April 1987), Austria (17 July 1987), Cyprus (4 July 1990), Malta (16 July 1990), Sweden (1 July 1991) and other European Free Trade Area (‘EFTA’) countries including Finland, Norway and Switzerland. The Central and Eastern European applications include Czechoslovakia, Hungary and Poland, as well as Croatia, Slovenia and the Baltic States. Ukraine has also expressed their intention to seek admission to the EEC.

The prospect of a stronger, ever increasing and more tightly integrated Community of Western Europe may be viewed as an imminent threat or danger to the delicate balance of world trade and international relations which must continue to grow if the world is to survive the present precarious situation, fraught with intermittent political unrest, trade imbalances and chronic economic ills. On the other hand, the continuing success of the European Community in the approximation of economic and social conditions within the expanding frontiers of its member countries could provide a living model for other groupings of states to aspire to follow by direct adoption or by way of eclectic adaptation. Whatever the views of those remaining outside of the international confines of the Community, whether adjacent or distant neighbours, one thing is clear, ie the European Community constitutes a significant trading partner to be reckoned with by any standard.

Other strong trading counterparts in the world market economy are the
United States and Japan, both currently seeking to fortify their positions by tightening their loose relations with other states in their respective regions. Thus, the United States has concluded a Free Trade Agreement with Canada, and is actively negotiating another Free Trade Agreement with Mexico, with Canada as a pre-existing partner in the North American Free Trade Association (‘NAFTA’). Japan, on the other hand, finds no equivalent in her region with whom to form an integrated Community or indeed a loose free trade association, as the disparities in the stages of economic development in East and South-east Asia have rendered impractical such an economic union. Standing on her own insular feet, Japan is nonetheless a global trader and conducts her trading on a worldwide scale, while maintaining relatively close economic ties with the newly industrialized countries of Asia (‘NIC’), viz, Republic of Korea (‘ROK’), Republic of China (‘ROC’), Hong Kong and Singapore, and other members of ASEAN.

The very mention of ASEAN may rekindle hopeful aspirations in certain parts of the world, while its name is begging the question and conveying little or no meaning to outsiders. Just as the acronym ‘EEC’ bears little significance to the uninterested or uninitiated, the abbreviation ‘ASEAN’ sounds equally obscure and negligible. The purpose of this study is at least in part intended to throw some light on the on-going relations between the two organizations and between their respective members. At present, ASEAN consists of Indonesia, Malaysia, Philippines, Singapore and Thailand and since 1984, Brunei Darussalam, as compared to the EEC of 12.

In our analysis of the mutual relations between the EEC and ASEAN, an inductive approach is adopted rather than an assessment based on theoretical deductions. As a principal trading partner in the world, the European Community cannot help but influence the nature and modality of world trade. Apart from increasing its own internal strength in the process of economic, social and to some extent also political integration, thereby promoting further rise in intra-community trade, which is directly


4 The composite text is under active negotiations on a fast track as far as the United States negotiating team is concerned. For an analysis of the United States-Mexican Free Trade Agreement, see Jesus Silva and Richard K Dunn, ‘A Free Trade Agreement between the United States and Mexico: The Right Choice?’ (1990) 27 San Diego Law Review 937. As of present writing, the text of the Agreement which was under parallel negotiation with Canada has been approved by the negotiating teams, each party now awaits ratification by its respective Parliament, in the case of Canada by each of the Provinces. See also M Delal Baer, ‘North American Free Trade’ in Foreign Affairs, Fall 1991, Vol 70, No 4, pp 132-149. The next NAFTA Agreement will not be reported in the United Nations Treaty Series or other national collections of Treaties until ratified, entered into force and registered with the United Nations.
encouraged essentially by the free movement of goods and services, including labour and human resources, the Community has managed to strengthen its external bargaining power, with a unified trade policy, a united political voice and a single internal market to back up its position of strength.

The Community is by no means inward looking, although it might have created the impression that its first and foremost goal was to set up a 'Fortress Europa'. Looking at its past conduct, one can readily see that the Community is not unmindful of current developments outside its external frontiers and beyond. In this time and age of an interdependent world, no single state, no single Community, can afford not to look beyond the confines of its territorial boundaries to seek to enhance mutually beneficial relations, including trade in export and import of commodities as well as exchange or transfer of capitals and advanced technologies. However perfect a Community or collectivity of states may be, there is always further complementarity and novelty outside.

If the European Community has been actively engaged in pursuing friendly relations and economic ties with the outside world, a regional association, such as ASEAN cannot afford any complacency within itself but must a fortiori display extreme diligence in cultivating amicable relations and mutually beneficial ties with non-ASEAN countries or collectivity of like-minded nations. An empirical examination of past conduct will reveal that the prospect for ASEAN and EEC relations is one of fruitful and productive co-operation. At the same time, ASEAN must re-examine its own position and review its timetable for achieving an ASEAN Free Trade Arrangement.

B. HISTORICAL PERSPECTIVE

Neither the European Community nor ASEAN was born yesterday. If the Treaties of Rome were taken as a starting point for the EEC and Euratom, with the European Coal and Steel Community functioning since 23 July 1952, ASEAN could be said to have its point of departure on 8 August 1967 when the Bangkok Declaration was proclaimed, after having experi-


6 See Art 208 of the Euratom Treaty (Cmd 4865) of the same dates of signature and entry into force.

7 European Coal and Steel Community Treaty (Cmd 4863), signed on 18 April 1951 in Paris, entered into force on 23 July 1952. Art 97 states: 'This Treaty is concluded for a period of fifty years from its entry into force.'

mented with the Association of South-east Asian States ('ASA') for the previous six or seven years. 9

To trace the relations between the EEC and ASEAN back to their respective institutional origin only is to ignore the path of history that member countries of the two organizations have followed from time immemorial. Countries of the Community and members of ASEAN were no strangers. Their relations dated back to a much earlier period than many of us might care to recall.

Among the little Europe of six, the Netherlands and France were the earliest to have appeared on the South-east Asian horizon. Adding the three, the United Kingdom, Ireland and Denmark, at least two were active about the same time. With the last three members, Greece, Spain and Portugal, the geography of today's ASEAN nations was well known to the last two already since the 16th century. 10

Thailand or Siam, one of the oldest kingdoms in mainland South-east Asia, concluded trade agreements with Portugal and the Netherlands in the early 1600, and Ayudhya exchanged embassies with Amsterdam before the publication of Hugo Grotius' *de Jure Belli ac Pacis* in 1625. During the reign of King Narai the Great in the 1680's and 1690's, Siam exchanged embassies with Louis XIV of France and established formal relations with the Holy See. During this period, a Greek adventurer by the

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9 *ASEAN Documents Series* 1967–1988 (3rd edn) published by ASEAN Secretariat, Jakarta, 1988, No 1, pp 27–28, ISBN 979–8080–01–7. The Bangkok ASA Declaration was published by the Ministry of Foreign Affairs of Thailand, and was not registered with the United Nations Secretariat. The Bangkok ASA Declaration was signed on 31 July 1961 by the Prime Minister of the Federation of Malaya, the Secretary of Foreign Affairs of the Republic of the Philippines and the Minister of Foreign Affairs of the Kingdom of Thailand, establishing an association for economic and cultural cooperation among the countries of South-east Asia to be known as ASA. The Joint Communiqué of the First Meeting of ASA Foreign Ministers to carry out the aims and purposes of the Bangkok ASA Declaration was issued on 1 August 1961. A special session of ASA Foreign Ministers was convened in Malaya on 3–6 April 1962, followed by a Second Meeting in Manila on 2–4 April 1963. ASA lapsed into a state of suspended animation after the advent of Greater Malaysia, and was revived by the Third Meeting of the Foreign Ministers of ASA in Bangkok on 3–5 August 1966. After the Final Meeting in Kuala Lumpur in 1967, ASA decided to merge into ASEAN pending the Bangkok Meeting in August 1967.

10 See Rong Sayamananda, *A History of Thailand* (1976), pp 118–123. Sir John Bowring, a British Envoy, concluded a Treaty of Friendship and Commerce between Siam and Great Britain on 18 April 1855. The King of Siam, Mongkut, recognizing his ability as a diplomat, entrusted Bowring with the duties of negotiating similar Treaties with such Western powers as Sweden, Norway, Belgium and Italy, which he concluded in 1868, signing on behalf of Siam. Bowring was conferred a Thai title of nobility as Phya Sayamanu Kunkich. The first Treaty of Friendship, Commerce and Navigation between Italy and Siam was signed in London on 3 October 1868, *Treaty Series of Thailand*, Vol 1, p 217, taken from the file of the Archives Division, Ministry of Foreign Affairs of Thailand. This Friendship, Commerce and Navigation Treaty was in turn substituted by a subsequent Treaty signed at Rome on 9 May 1926, *Treaty Series of Thailand*, Vol 3, p 131.
name of Konstantinos Falcon was in the Siamese King’s service as Chief Minister, performing very much the same functions as would any contemporary Prime Minister. In Bangkok, this prime position was occupied two centuries later in the 1890’s by a Belgian Minister, Gustav Rolin Jacquemyns. When Italy became independent, the first Friendship, Commerce and Navigation Treaty between Siam and Italy was signed on behalf of Siam in London by a former British Ambassador to Bangkok who after retirement from the British foreign service had continued to serve as agent of the Siamese King.

Thailand was by no means the only South-east Asian country to have maintained friendly relations with European nations which were later to become members of the European Community. Indonesia including Java, Bali, Sumatra, Celebes and Kalimantan, had afforded trading posts for the Dutch-East Indies Company. Dutch interests in the region had led to the conclusion of the first trade agreement with Thailand, constituting the first Treaty ever between European and Asian states on an equal footing. This was to ensure the supply of Dutch import of spices and raw hides into Europe.

Spain and Portugal had been active in searching for trading posts and zones of influence in the Pacific and had found their footholds in the Philippines, Formosa, Macau, East Timor and Sri Lanka. These Asian real estates changed hands between the European powers as the waves of Western colonial expansion pervaded the Indian and the Pacific Oceans. Singapore was traded for Sumatra, while the Malay States became parts of the British Straits Settlement, and Burma was administered under the British Indian Civil Service. The Philippines embraced Catholicism and applied Spanish civil law for three centuries before it was transferred to the United States in 1898.

Other South-east Asian neighbours of Siam fell into French colonial domination for long decades before they could regain their independence after prolonged struggles by liberation movements following the close of World War II.

Decolonization for the South-east Asian states came at different times and by different routes. Burma was liberated by the Japanese invasion and re-taken at the end of the war only to be freed once again under U Aung Sann. Japan has never ceased to recognize Burma’s independence since 1942. Indonesia was liberated from the Japanese occupation by Sukamo and became independent from the Dutch after the Lingadjarti Agreement. The Philippines was also liberated by the return of General McArthur. The Federation of Malay States including Singapore, on the other hand, took a slow and steady path to independence from the British, the transition has been more orderly after overcoming internal complications caused by subversive elements known as the Communist Terrorists.

It is against this background and historical perspective of no fewer than four centuries of close relations between members of the European Community and ASEAN nations that a study can be undertaken of the current relations and mutual co-operation between them.
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II. Significance of the EEC To ASEAN

To appreciate more fully the impact of EEC 1992 on ASEAN, it is at least useful if not indeed necessary to evaluate the significance of the EEC to ASEAN in terms of political like-mindedness, economic co-operation and social and cultural developments.

The question to be addressed, first and foremost, is whether the impact of EEC 1992 will help or hinder further development of mutually beneficial relations between the EEC and ASEAN. This appears to depend on the basic external or foreign policies of the EEC, whether they are hostile or friendly, inimical or amiable, competitive or helpful.

While many elements have yet to unfold themselves after the deadline, it is clear that several salient factors need to be taken into consideration in any assessment of the impact of EEC 1992 on ASEAN.

On the positive side, it is clear that the attitude of the European Community towards ASEAN, so far as it can be gathered from past conduct and experience, has not been hostile to ASEAN or to any development of further and closer co-operation between the two regions. The Community has shown no desire to attain domination or to seek hegemony or otherwise to exercise undue influence over the foreign policies of ASEAN with regard to the peace and tranquillity within the ASEAN region. On the contrary, the EEC remains a direct beneficiary of a peaceful and free South-east Asia as a sound and solvent trading partner. The Community has not sought to dictate its collective views on ASEAN regarding ASEAN's internal or domestic affairs; nor indeed has the Community attempted to use ASEAN as a means to induce a change or transformation of policy in the domestic affairs of any other South-east Asian country, a close neighbour of ASEAN such as Myanmar. In its wisdom, the Community has deliberately refrained in its relations with ASEAN from intervening in the internal affairs of ASEAN or in ASEAN policies towards neighbouring countries in the vicinity of the ASEAN region. The Community has been a faithful supporter of the ASEAN position with regard to the recent upheaval in Kampuchea.

Other less positive aspects of the recent developments in the European context need also to be taken into account. The dissolution of the Union of the Soviet Socialist Republic preceded by the merger of the Democratic German Republic with the Federal Republic of Germany, and their repercussions throughout the European world cannot escape the attention of disinterested observers. The Community has had to divert its primary attention to the problems from within and redirect energies and resources to the legal, social and economic problems entailed by the merger of the two German Republics in 1990. Furthermore, the Community is faced with the implementation of the deadline 1992 at the same time as the absorption of the social and monetary problems inherited from the Democratic Republic of Germany. Once merger is complete and unity achieved for the European single market, there will be time for consideration of new applications from prospective members such as Austria and Turkey. Prob-
Significance of the EEC To ASEAN

Problems of expansion are further compounded by supervening events such as the interlocutory arrangements with the like-minded European countries from EFTA and the formulation of principles underlying the European Economic Space Area, an inter-communities or inter-agencies arrangement within occidental Europe.\footnote{For European Economic Space Area and friendly relations between EEC and EFTA, see, for instance, ‘EC-EFTA Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters’, in (1989) 28 International Legal Materials 620 at pp 623-643. See also ‘Rapport sur la position de la Suisse dans le processus d’intégration européenne du 24 août 1988’, 88.045, 1989-348-1990. The European Communities and EFTA have accorded each other the treatment of a Free Trade Area, thereby resulting as a starting point in the status of Free Trade Zone for the combination of the two European Economic Associations without having to establish another separate and independent bilateral or bi-regional secretariat.}

It is inevitable that the members of the Community cannot turn a blind eye or a deaf ear to the misery that has befallen their oriental cousins, the Central and Eastern European nations, which have undergone the trying period of disintegration and regrouping if not reintegration. First the Baltic Republics, Latvia, Lithuania and Estonia have reached out for their respective independence. Then came the inevitable question of state succession of the Soviet Union by the Russian Federation with some hesitant former partners in the Union opting out of the Federation. Last but not least are the perennial problems that continue to plague Albania on the one hand, and the many entities forming part of Yugoslavia on the other, namely, Hersegovenia, Serbia, Slovenia, Croatia and Macedonia. The United Nations peace-keeping operation is currently monitoring the disturbing situation. The emergence of a new state of Yugoslavia with reduced federal membership marks yet another confirmation of the trend of disintegration.

The upheavals in Europe cannot fail to capture the imaginative attention of the European Community, whether in the form of the Community as such, or the North Atlantic Community or within the United Nations family in general. All these will constitute a drain on the resources and energies of the EEC, which will entail no positive effects if indeed not negative implications vis-à-vis ASEAN in general. It is not unnatural that the Europeans will give greater priority to problems that are above all essentially European and as such closer to them.

Realistically, even greater if not equally great priority will be accorded to EEC’s competition in world trade with at least two other trading competitors, namely, the United States and its partners in the nascent NAFTA and Japan. Next in line of priorities to which the Community’s interests will be directed are the countries most closely associated with the Community. Thus, the so-called ‘Third World’ is capable of varying interpretation, depending on the user of that expression. For instance, for Belgium, the Third World means essentially the Congo, Zaire, Burundi...
and Rwanda. For France, it could mean all Francophone African states and former French Indochinese states. For the United Kingdom, it could signify African, Asian and Caribbean Commonwealth countries, the former British colonies. These preoccupations of the European Community has been amply reflected in the various Association Treaties, such as Yaoundé I and II and Lomé III and IV.

Where then is the proper place for ASEAN in the order of priorities as pre-arranged by the Community? This is a valid question that every ASEAN leader must face and to which an answer must be sought and appropriate measures planned for effective response.

III. Meaningful Relations between the EEC and ASEAN

The true significance of the European Community to ASEAN irrespective of all other priorities of the Community may be expressed in statistical terms of the EEC trade with ASEAN. The table below is typical and clearly indicative of the importance that ASEAN attaches to its trade with the EEC. The relative significance is nonetheless reciprocal between the two regions.

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12 See Yaoundé I Convention (1963) between the EEC and the Associated African states and Madagascar ('AASM'). This was renewed in 1970 after Yaoundé II and regularly thereafter. For details, see Courier, Africa-Caribbean-Pacific-European Community No 89, January–February 1985, an official publication of the EEC.
13 See Yaoundé II Convention (1969) between the EEC of nine and AASM, Cameroon later became Federal Republic of Cameroon. For details, see Courier, supra, n 12.
15 See Lomé IV Convention (1990) as in Lomé III between the EEC of 12 and ACP as before plus the Dominican Republic, Haiti, Namibia (after independence in April 1990). Dahomey is now Benin and Upper Volta is Burkina Faso. For details, see Courier, supra, n 12, No 120, March–April 1990, an official publication of the EEC.
16 For an official view of the EEC in greater detail, see 'The European Community's Relations with ASEAN', a study prepared by the Directorate-General Information, Communication, Culture of the Commission, Europe Information 7/91, External Relations, April 1991, 127/X/91. The study includes statistics available from EEC sources as well as from primary sources in ASEAN countries.
A. TRADE RELATIONS

1. Overall Trade

<table>
<thead>
<tr>
<th>Year</th>
<th>EEC Exports (ECU)</th>
<th>EEC Imports (ECU)</th>
<th>Trade Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>5,369</td>
<td>6,857</td>
<td>-1,488</td>
</tr>
<tr>
<td>1983</td>
<td>9,269</td>
<td>7,919</td>
<td>1,350</td>
</tr>
<tr>
<td>1984</td>
<td>9,886</td>
<td>9,662</td>
<td>224</td>
</tr>
<tr>
<td>1985</td>
<td>9,810</td>
<td>9,972</td>
<td>-717</td>
</tr>
<tr>
<td>1986</td>
<td>8,495</td>
<td>9,212</td>
<td>-1,130</td>
</tr>
<tr>
<td>1987</td>
<td>8,906</td>
<td>10,036</td>
<td>-1,516</td>
</tr>
<tr>
<td>1988</td>
<td>10,638</td>
<td>12,203</td>
<td>-1,564</td>
</tr>
</tbody>
</table>

*Includes Brunei since 1983

It is significant to note that in terms of trade, the EEC's export to ASEAN rose by 52% from 1983 to 1989 while its import went up by 92%. ASEAN's share of the EEC's growing imports from non-Community countries rose steadily from 2.4% of the total to 3.1% in 1988.

The 12 nation EEC ranks third among ASEAN's trading partners, excluding intra-ASEAN trade. The EEC took 15.4% of ASEAN exports in 1988, as compared to the United States' 22.6% and Japan's 20.6%. It accounted for 15.2% of ASEAN's imports, as against 19.9% for Japan and 16.8% for the United States. The EEC is more than a major market for ASEAN's exports, it has emerged as an important market of ASEAN exports of manufactured products in recent years. They account for more than half of ASEAN's exports to the EEC since 1987, as can be seen from the following table:


<table>
<thead>
<tr>
<th>Year</th>
<th>1980</th>
<th>1985</th>
<th>1987</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total exports</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Foodstuffs</td>
<td>20</td>
<td>22</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>Raw materials</td>
<td>34</td>
<td>27</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Manufactures</td>
<td>46</td>
<td>53</td>
<td>58</td>
<td>64</td>
</tr>
</tbody>
</table>

While wood, tapioca, rubber and palm oil remain major export items to the EEC, they have been dramatically overtaken by electrical machinery, textiles and clothing. ASEAN exports of electrical machinery rose from ECU 64 million in 1980 to ECU 1,846 million in 1988, an increase of 187% as compared to a 50% rise in tapioca exports and 115% rise in exports of palm oil over the same period.

2. Textiles and Clothing

It is in textiles and clothing that ASEAN countries have recorded the most striking gain. ASEAN exports to the EEC soared from ECU 148 million in 1980 to ECU 1,486 million in 1988, an increase of 900%. ASEAN's share of the EEC's textiles and clothing imports from non-EEC countries went
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up from 4.5% in 1985 to 7.6% in 1988, thanks to the Multi-Fibre Arrangements ('MFA') concluded and implemented by individual member countries of ASEAN and the EEC within GATT.\(^{17}\)

The following table shows the changes in the EEC's imports of textiles and clothing from the ASEAN countries between 1987 and 1989:

**EEC’s Textile and Clothing Imports from ASEAN 1987–1989**

<table>
<thead>
<tr>
<th>All MFA products</th>
<th>of which, clothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>224</td>
</tr>
<tr>
<td>Malaysia</td>
<td>151</td>
</tr>
<tr>
<td>Philippines</td>
<td>208</td>
</tr>
<tr>
<td>Singapore</td>
<td>148</td>
</tr>
<tr>
<td>Thailand</td>
<td>481</td>
</tr>
</tbody>
</table>

*Source: EUROSTAT*

3. *Generalized System of Preference*

ASEAN countries are among the major beneficiaries of the generalized system of preference ('GSP') operated by the EEC since 1971. Between 1988 and 1989, total ASEAN exports which benefited from the GSP increased by 42%, while the increase in manufactured products, including textiles and clothing, increased by 53%. The GSP has been an important function in ASEAN’s progress towards industrialization. The following table shows the GSP utilization by ASEAN in 1988 and 1989:

**ASEAN Exports to EEC under GSP 1988 and 1989**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total exports:</td>
<td>12,203</td>
<td>15,173</td>
</tr>
<tr>
<td>* Zero duty</td>
<td>2,382</td>
<td>2,827</td>
</tr>
<tr>
<td>Eligible for GSP treatment</td>
<td>8,348</td>
<td>10,897</td>
</tr>
<tr>
<td>Recd GSP treatment</td>
<td>3,225</td>
<td>4,572</td>
</tr>
<tr>
<td>All semi-manufactured and manufactured products</td>
<td>1,749</td>
<td>2,789</td>
</tr>
<tr>
<td>Textiles</td>
<td>479</td>
<td>620</td>
</tr>
<tr>
<td>Agricultural products</td>
<td>998</td>
<td>1,143</td>
</tr>
</tbody>
</table>

*zero duty for imports in this group regardless of origin.*

\(^{17}\) Pending complete liberalization of trade in textiles and clothing, the existing series of MFA continue to serve practical purposes of some order in the allocation of ASEAN’s shares in the EEC’s market.
ASEAN has to look beyond trade relations with the EEC to seek a genuine partnership in promoting its overall economic development, beginning with trade promotion, economic and technical co-operation in all its forms and manifestations, including environmental protection as well as co-operation in social and political fields, not to mention drug abuse and refugees relief.

B. TRADE PROMOTION

It is not easy for ASEAN countries aspiring to be newly industrialized countries to compete successfully in the markets of the industrialized world. The EEC has been helpful to ASEAN emerging industries in developing their exports not only to the EEC market but also to the United States under the commercial co-operation provisions of the EEC-ASEAN Co-operation Agreement 1980. In recent years, trade promotion activities have been extended to include trade in services. Today, the development of tourism is an important element of trade promotion. A tourist training programme, involving ECU 1.6 million, is being conducted through the ASEAN Tourism Information Centre in Kuala Lumpur. A tourist marketing programme of ECU 2.3 million has also been launched with EEC 1992, coinciding also with the Visit ASEAN Year.

The EEC is also supporting an integrated port management programme of ECU 1.5 million conducted through the ASEAN Port Authority Association, to increase efficiency with which ports in ASEAN countries are expected to operate.

C. ECONOMIC CO-OPERATION

The EEC-ASEAN Co-operation Agreement 1980 was the first agreement that the Community concluded with Asian and Latin American countries to make provision for economic co-operation, to promote contacts between the private economic sectors in the EEC and ASEAN, to strengthen the Community's presence in South-east Asia and to allow ASEAN countries to diversify their economic links. The Eighth EEC-ASEAN Ministerial Meeting in 1990 acknowledged the EEC's help in ASEAN trade promotion and agreed that the private sector should play an increasing role in expanding economic co-operation between the two regions.

1. Investment

Trade and investment are necessary ingredients in economic co-operation. The 1980 Agreement was the first instrument to promote the EEC investments in ASEAN industrial production. The following table is indicative of the volume of investments in ASEAN countries:
Since the Sixth EEC-ASEAN Ministerial Meeting in 1986, the EEC has stepped up its activities aimed at promoting investments in the ASEAN region. Joint Investment Committees ('JICs') were set up in each ASEAN capital in 1987 and 1988. Both public and private sectors are represented on the JICs. A comprehensive data bank has been created containing all the available studies of industrial sectors in each ASEAN country. This survey is now available to EEC and ASEAN companies. Another JIC project, the 'mini-ambassador' programme encourages European businessmen to devote part of their home leave to giving talks on investment conditions in ASEAN.¹⁸

The EEC's international investment partners have stimulated European investments in ASEAN, especially in the form of joint ventures between small and medium size industries. It offers financial support for a range of activities, from the identification of potential partners and projects to the financing of capital requirements and provision of management expertise. The scheme is operated through financial institutions, notably development and commercial banks in ASEAN countries. The EEC-IIP (Industrial Investment Programme) has already signed contracts with the Asian Development Bank, the ASEAN Finance Corporation and the Investment Finance Corporation of Thailand and others. Some 15 projects involving companies in ASEAN are already in the pipeline.

2. **Industrial Co-operation**

EEC-ASEAN industrial co-operation predated the 1980 Co-operation Agreement. The first EEC-ASEAN industrial conference was held in Brussels in 1977, followed by a second conference in Jakarta in 1979 and


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Foreign Direct Investment in ASEAN by EEC and Other Selected Countries 1989 (in million US$)

<table>
<thead>
<tr>
<th>Country</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Philippines</th>
<th>Singapore</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EEC</td>
<td>409</td>
<td>470</td>
<td>70</td>
<td>263</td>
<td>1,451</td>
</tr>
<tr>
<td>Japan</td>
<td>769</td>
<td>996</td>
<td>171</td>
<td>270</td>
<td>3,623</td>
</tr>
<tr>
<td>US</td>
<td>348</td>
<td>119</td>
<td>143</td>
<td>260</td>
<td>565</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>407</td>
<td>130</td>
<td>118</td>
<td>n/a</td>
<td>577</td>
</tr>
<tr>
<td>Singapore</td>
<td>166</td>
<td>339</td>
<td>21</td>
<td>–</td>
<td>418</td>
</tr>
</tbody>
</table>

*Sources: BKPM, Indonesia; MIDA, Malaysia; BOI, Philippines; BOI, Thailand; EDP, Singapore.*
by a series of sectoral conferences covering various areas such as agricultural equipment, machine tools and food processing. The Conference was co-sponsored by four European banking groups, ABECOUR, EBIC, EUROPARTNERS and INTERALPHA.\(^{19}\)

The Third ASEAN Summit in December 1987 made the ASEAN industrial joint venture scheme more flexible and attractive to investors.\(^{20}\) Seven product groups were identified for joint EEC-ASEAN endeavours in September 1988, including rubber-based products; metal and woodworking machines; rubber and plastic processing machines; food processing and packaging machines; and also toys.

The Joint Memorandum on EEC-ASEAN Industrial Co-operation of 1 December 1988 called for workshops in ASEAN countries for EEC and ASEAN companies. Four such workshops were held in the first quarter of 1990, covering rubber and plastic processing machinery (Malaysia); rubber-based products (Indonesia); food processing (Brunei); and food processing and packaging machines (Thailand).\(^{21}\)

The EEC and ASEAN are also co-operating on an industrial training programme (with Malaysia as project co-ordinator) and an industrial standards and quality assurance programme (with Thailand's Industrial Standards Institute as the lead agency). These programmes help enhance the competitiveness of ASEAN manufacturers both at home and on export markets. An additional aim is to help ASEAN export industries prepare for the changes taking place in the EEC in the run up to the completion of the single market in 1993.\(^{22}\)

The EEC-ASEAN Ministerial Meeting of 1990 took note of the growing number of initiatives to strengthen business and investment contacts between ASEAN and the EEC through seminars, exchange programmes and industry-specific workshops. Various projects will be integrated into a coherent industrial co-operation programme.\(^{23}\)
There is no denying that rapid sustained economic growth such as that experienced by ASEAN requires large numbers of trained personnel. The EEC-ASEAN Meeting of Ministers of Economic Affairs of 1985 puts the right emphasis on industrial co-operation and human resource development ("HRD"). The EEC-ASEAN Ministerial Meeting of 1990 confirmed priority for HRD and called for an early review of the EEC-ASEAN HRD programmes. The EEC is now running some 30 HRD programmes each year for ASEAN countries which were to be streamlined to relate more closely to the sectoral priorities agreed by both ASEAN and the EEC.24

Some of the more important new and existing HRD programmes may be briefly mentioned:

1. EEC-ASEAN Scholarship Programme: a three-year programme for some 150 scholarships over the three-year period awarded to candidates from ASEAN to study in any of the 12 Community countries. The year 1991 emphasizes on the environment. The years 1992 and 1993 will place emphasis on other specific areas.

2. Data Bank and Training Opportunities in EEC: covering such fields as informatics, engineering, management, agriculture and health. The information is available in print as well as in floppy diskettes.

3. Business Graduate Placement Programme: 25 qualified business graduates completed their training after spending two months with companies in the ASEAN countries.

4. Business Familiarization Programme: to help young ASEAN executives familiarize themselves with economic and business realities and opportunities in the EEC organized by Eurochambers, this five-week programme for 18 executives includes visits to five EEC countries.

5. Business Management: Euro-Asia Centre as part of the European Business School, INSEAD, in France, organized annual seminars on technology transfer for professors of management.

6. EEC-ASEAN Management Centre: in Brunei, it will serve as a focal point for research and training in public and business management in ASEAN. The Centre would facilitate links between institutions in the two regions through a network of national institutions.

7. EEC-ASEAN Co-operation for Public Executive Development: the European Institute of Public Administration, based in the Netherlands, has organized seminars for ASEAN officials in the region and at its headquarters in Maastricht. Themes in recent years have included the possible effects of the European single market on ASEAN.

8. EEC-ASEAN Programme in Development Administration: following financial agreement in May 1990, three meetings of experts in human resource development were organized in 1990.

Meaningful Relations between the EEC and ASEAN

(9) ASEAN Maritime Training Projects: a programme in port management was launched in 1991 with EEC’s financial and technical help, providing training in container terminal operations and maintenance, information technology and port marketing as well as general management training for senior managers. Seminars will be held on developments in container shipping and container terminal marketing as well as general management training for senior managers. Seminars will be held on developments in container shipping and container terminal management.

(10) Civil Aviation: a programme to strengthen air traffic safety in the ASEAN region was launched in 1991. An integrated training programme in ATC is conducted in ASEAN as well as in the EEC, carried out by a specialized European civil aviation agency.

E. SCIENTIFIC AND TECHNICAL CO-OPERATION

Fresh ground was broken by the EEC-ASEAN Agreement for Scientific and Technical Co-operation 1980 between the two regional groupings. Since 1982, the EEC has helped ASEAN countries upgrade their scientific and technological capacity and strengthen their national industrial research institutions. Some 45 technical assistance programmes have been organized and a dozen technical seminars held with some 120 scholarships awarded for ASEAN scholars to attend post-graduate courses in the EEC.

Large-scale ASEAN participation has occurred in the EEC programme of research in agriculture and tropical medicine called ‘Science and Technology for Development’ (‘STD’). Scientists from ASEAN countries took part in 39 research projects under the first STD programme and participated in 26 research projects under the second STD programme (1987–1991).25

Some 20 new activities were undertaken in 1989–1990, many in priority areas of the environment and biotechnology. The EEC financial contribution for co-operation with ASEAN in science and technology has totalled some US$15 million.

F. ENERGY

The ASEAN-EEC Energy Management Training and Research Centre (‘AEMTRC’) which started in November 1988 in Jakarta is the focal point for co-operation between the two regional groupings in energy to

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contribute to the EEC-ASEAN dialogue on energy issues of mutual interest. The Centre has now become a permanent analytical and reference body for senior ASEAN energy officials. It organizes regular workshops on topics related to its research programmes. A major project, known as ASEAN 2010 is to prepare a regularly updated, long-term supply and demand study of the region’s energy needs. The Centre also collaborates with non-ASEAN bodies, working with the Asian Institute of Technology in Thailand on a project for the dissemination of energy consultation technology, and with the consortium of European companies preparing the feasibility study for a natural gas pipeline linking most of the ASEAN countries.

G. REGIONAL DEVELOPMENT CO-OPERATION

Development co-operation is an important feature of the EEC-ASEAN Co-operation Agreement. Since 1980, the EEC has provided ASEAN with ECU 317 million in financial and technical assistance in grant form. However, less than 10% has been devoted to regional projects, although there are moves to increase this percentage. These regional projects are in economic co-operation and focus on transfer of technology, human resource development and environmental protection. Some important regional development projects include the following:

(1) Grains Post-Harvest Technology Programme: to help ASEAN countries in reducing grain losses through poor handling, processing and storage. Malaysia serves as project co-ordinator.

(2) ASEAN Timber Technology Centre: operational in Kuala Lumpur since 1989, to carry out research and training to raise productivity through effective exploitation of less well-known species of timber.

(3) Agriculture Development: to improve the socio-economic situation of the rural poor through agriculture development. Thailand serves as the project co-ordinator for the five-year programme.

(4) Marine Fisheries Resources Assessment and Training Programme: to help fisheries authorities in the ASEAN region improve the management of fisheries at national and regional levels, by developing suitable stock assessment and data analysis methods for policy-making. The project is being co-ordinated by Thailand with equipment financed by Brunei.

36. See ibid, para 47, p 60.
H. CO OPERATION IN ENVIRONMENTAL PROTECTION

The EEC and ASEAN Ministers voiced their concern over the threat to the global environment at their meeting in Malaysia in 1990. Both sides concurred in regard to the need to ensure a more integrated approach to environmental and developmental problems, environmental protection being seen in a balanced perspective, and due emphasis given to promoting economic growth and sustainable development, with the EEC agreeing to consider helping ASEAN upgrade its facilities, capabilities and expertise in the fields of management of natural resources and environmental monitoring.

An ASEAN tropical forest mission, led by the Indonesian Forestry Minister, met European Commission officials in Brussels in October 1990 to discuss sustainable forest management in the ASEAN countries, covering also trade in tropical timber products, with both sides agreeing on a common interest and common responsibility in conserving and regenerating tropical forests. The first significant pilot project to carry out an identification mission was launched in 1991.

I. REFUGEES RELIEF

The EEC is a major contributor to the work of the United Nations High Commissioner for Refugees (‘UNHCR’), the United Nations Border Relief Operation (‘UNBRO’) which helped Cambodian displaced persons at the Thai border, and NGOs in resettling and repatriating refugees in the ASEAN region. The EEC also helped repatriate ASEAN refugees at the start of the Gulf crisis in August 1990.

In December 1990, the EEC Commissioner for North-south relations, Minister Abel Matutes, proposed a plan to repatriate and reintegrate some 80,000 Vietnamese ‘boat people’ and agreed to contribute ECU 10 million to help finance a six-month pilot plan. The plan which has the agreement of the Vietnamese authority and is estimated to cost ECU 122 million has been submitted to donor countries.

J. DRUGS

The EEC-ASEAN Ministerial Meeting in Kuching of 1990 expressed concern over the growing problem of drug abuse and drug trafficking.

During 1988–90, EEC financed 10 drug related projects in the ASEAN region for a total of ECU 3 million.29

IV. The EEC-ASEAN Institutional Links

ASEAN countries have in practice the most extensive institutional links with the EEC of any regional groupings of developing countries. They comprise the regular meetings of the EEC-ASEAN foreign ministers (the first of which was held in 1978) and the annual meetings of the Joint Cooperation Committee (‘JCC’) attended by senior officials.

The two-day meetings of foreign ministers, at which the European Commission is represented by the Commissioner for North-south relations, take place every 18 months or so, the most recent one met in Luxembourg in May 1991. They cover two parts: economic and political issues. At their eighth meeting in Kuching, Malaysia in 1990, the ministers exchanged views on Kampuchea, Indochinese asylum seekers, Afghanistan, the Middle East and South America. Discussions on economic issues focused on EEC-ASEAN relations, such as regional issues as the 1992 single European market and international issues, including the Uruguay Round were covered.30

The EEC and ASEAN foreign ministers also meet at the Post-Ministerial Conference (‘PMC’), headed each year by ASEAN foreign ministers, to mark the change of presidency of the ASEAN Standing Committee. The PMC is attended by the ‘Dialogue Partners’, including the United States, Japan, Australia, New Zealand and Canada. The EEC is represented by the ‘Troika’ (its past, present and incoming Presidents), and the Commissioner for North-south relations. Both political and economic issues are discussed at the PMC.31 The EEC and ASEAN Trade and Economic Ministers also met in 1985 and again in June 1991 in Luxembourg for another brainstorm session immediately after the meeting of the foreign ministers.32

Under the 1980 Agreement, an EEC-ASEAN JCC was set up to hold annual meetings at various ASEAN or EEC cities. The ninth session was held in Malaysia in February 1991.

An EEC-ASEAN Business Council was set up in Jakarta in 1983 to streamline the European side of the Business Council. To this end, a Steering Committee of senior businessmen was established in 1989.

30 Supra, n 21.
From its beginning in the 1970's, the EEC-ASEAN relationship has been seen as one between two regional groupings. Informal meetings between the EEC Commissioners and ASEAN Ministers took place in Brussels in 1972, in Bangkok in 1973 and in Jakarta in 1974. A Joint ASEAN-EEC Commission Study Group was set up to intensify continuing dialogue between the two regions. As such, there is no formal institutional machinery for reviewing relations between the EEC and individual ASEAN countries. The need for such a meeting is met by regular bilateral meetings at the official level with each ASEAN country, which could take place at regular intervals in Brussels or in Bangkok or Jakarta.

ASEAN countries were fully represented in Brussels by 1971 with the addition of the Embassy of Singapore and the expansion of Malaysia's Office of the Permanent Delegation. The ASEAN Brussels Committee ('ABC'), consisting of ASEAN Ambassadors to the EEC, started to function in full steam in the years that followed, when meaningful negotiations between the officials of the EEC and the ABC took place on various trade matters including BTN, rules of origin and the items to be included on the list of GSP for consideration of an offer to be made by the EEC Commission.

The ASEAN Brussels Committee also reported to the Standing Committee of ASEAN. A dialogue at ambassadorial level between the permanent representatives of the EEC member states and the ASEAN ambassadors to the EEC also led to an intensification of the EEC-ASEAN co-operation. The EEC-ASEAN relations were classified into areas within the framework of the commercial, economic and development co-operation agreement signed by member countries of ASEAN with the EEC on 7 March 1980 at Kuala Lumpur. The Joint Co-operation Committee between the EEC and ASEAN has been meeting annually since 1980 to keep under review various co-operation activities envisaged between the parties in the framework of the agreement.

V. Significance of ASEAN To The EEC

Having so far assessed the significance of the EEC to ASEAN and the meaningful relations between the EEC and ASEAN, the next question to be addressed is whether and to what extent if at all ASEAN has any significance for the EEC. The answer may be found partly in the inevitable

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fact that the EEC considers itself to be a leading group of free states responsible for the making of international law from the time of Hugo Grotius to the present, and as part and parcel of the organism now playing a leading role in the free world. The EEC must think global and cannot afford to allow any blank or vacuum to persist on the surface of the earth. Although ASEAN may never rank at the very top or very high on the EEC agenda or its order of priorities, ASEAN is definitely not without significance to EEC.

Today, ASEAN constitutes the only living example of a successful and thriving regional organization besides the EEC. ASEAN countries have been achieving record high and fastest economic growth rates in real terms in the past decade. ASEAN continues to be the healthy and hopeful market for EEC products and suppliers of raw materials, foodstuff and exchange of manufactured products for the Community.

Politically, ASEAN countries are natural allies of the free world and believers in the free market economy which it practices. Without ASEAN, the world would be a much sadder place with few new pastures for gainful investments. Political stability in the region has resulted from ASEAN solidarity which has provided a counter-force against subversive elements. Just as the free market economy has triumphed in Europe with the collapse of the Soviet Union and the dissolution of the communist party, the same story may be retold in South-east Asia, although it may be too early to treat the ongoing struggle in Central and East Asia as decisively won or in any way conclusive.

While ASEAN has achieved much in terms of regional peace, progress and prosperity, more still remains to be done for the rest of East Asia that is alive with possibilities and innovations. Since 1985, ASEAN has declared its readiness to widen its co-operation with other nations in the Pacific. 35

Whatever the final analysis by the EEC of the significance of ASEAN may be, one salient fact remains. The EEC maintains representation with its trading partners such as the United States in Washington DC, with an information office in San Francisco, and with Japan in Tokyo, headed by a former trade director as the EEC ambassador since 1976. A third representation headed by an EEC official with the rank of ambassador was set up in Bangkok, Thailand, since 1978, while today other offices have been set up in two other ASEAN capitals, in Jakarta since 1989 and in Manila since 1991 respectively.

The need for representation by the EEC in three ASEAN capitals is a strong signal that the EEC does not think casually of ASEAN. The necessity for closer bilateral and inter-regional co-operation appears to provide a strong boost to the position of ASEAN in the estimation of the EEC.

VI. Cumulative Effects of ASEAN-EEC Co-operation

It is difficult to assess the cumulative effects of co-operation between the EEC and ASEAN in the various fields outlined in Section III above, with the natural by-product of enabling ASEAN to reinforce its collective political stand with the combined support of the EEC countries jointly and severally.

Co-operation, whether economic, technical, developmental or financial, is never a one-way street. There are consequences flowing in both directions and benefits accruing for both sides. Both regions, the EEC and ASEAN, stand to gain from mutual co-operation, so timely and effectively initiated and conducted to the satisfaction of all parties. The exchange of scholars and cultural exchanges between the EEC and ASEAN will definitely serve to promote wider and deeper mutual understanding and reciprocal appreciation of the respective positions of the two regions.

For these reasons, ASEAN is approaching the EEC 1992 deadline with caution and with sufficient preparedness and confidence. Cautious indeed ASEAN should be of the novelities of things unknown, of the areas uncharted, such as the future of the EEC airlines in the face of the European deregulation process and the existing air services Treaties concluded by the EEC countries that may have to be renegotiated and the fate of ASEAN airlines that may be compelled to join forces or to bow out or else to transform into regional or internal carriers. ASEAN should also be prepared as preparations have earlier been made in conjunction with the EEC for the new developments about to take place. The atmosphere of confidence must indeed prevail to allow mutual relations of beneficial cooperation to continue unabated. The likelihood of a European merger is a threat to non-European carriers. Perhaps, a global approach adopted by Singapore Airlines in partnership with Delta Airlines and Swiss Air may provide a key to the survival of other ASEAN carriers.

The attainment of a single market for Europe was never meant to spell a disaster for any trading partner of the EEC. It was intended to lend further strength to the Community in its regional economic development, and only thereby provide an added strength and extra leverage for the EEC's position as a world trading community.

VII. Conclusion

The preceding survey of the past conduct and recent practice of ASEAN and the EEC in their relations of mutual co-operation tends to indicate that there is no immediate cause for alarm for ASEAN countries when the EEC achieves its final stage of integration by removing all internal frontiers, thus completing the economic and monetary union of the Community.

Plans have been made in advance to prepare for the softening of the possible effects of the European Single Market and its impact on ASEAN, which on balance in most instances, should be more beneficial than
harmful, especially since the leaders of both sides have been closely considering the prospects of the final outcome. There will no doubt be some unexpected casualties and emergency measures to be prepared to face such contingencies. But with the display of goodwill and confidence by both regions and subject to the conditions and caveats expressed in the foregoing study, ASEAN should welcome the European Single Market with guarded optimism.

ASEAN in turn, has been awakened to the likelihood of its becoming, after a quarter of a century of trial and error, a Free Trade Association, seeing that other Pacific nations such as Australia and New Zealand have taken little or no time to establish between themselves a Free Trade Arrangement in response to the pressing need of international economic relations. Concrete measures are being taken towards the implementation of the ASEAN Free Trade Area within the time frame of 15 years, beginning 1 January 1993, coinciding with the EEC deadline for economic and monetary union.36

ASEAN has been able to identify its priorities. It has encouraged intra-regional trade and development. It has successfully set up continuing dialogues with its trading partners. Apart from the inter-regional cooperation with the EEC, ASEAN has established meaningful association dialogues with Japan, Australia, New Zealand, the United States and Canada. It has frequent contact with India, China, the Russian Federation and other developing countries in the Pacific, with which ASEAN is ready to cultivate even closer relations of substantial economic and technical cooperation in various fields of human endeavours.

Whatever the impact the EEC may have had on ASEAN and the rest of the non-EEC world, parallel developments appear to be taking place in North America with the prospect of NAFTA becoming a living reality and ASEAN expanding almost pari passu with the EEC. Thus, Laos and Vietnam have been warmly admitted as new observer nations within the ASEAN group following deposits of their Instruments of Accession to the ASEAN Treaty of Amity and Co-operation in South-east Asia.37

The Asia-Pacific Economic Co-operation continues to be a loose, exploratory and consultative process without diluting ASEAN's identity. ASEAN's maintains meaningful contact with the Pacific Economic Co-operation Conference, the Pacific Basin Economic Council and the South Pacific Forum.

36 See in particular, the Singapore Declaration of 28 January 1992 following the Fourth ASEAN Summit, and the Joint Communiqué of the 25th ASEAN Ministerial Meeting, Manila, 21-22 July 1992, confirming the use of the Agreement on the Common Effective Preferential Tariffs Scheme as the main mechanism for the implementation of the ASEAN Free Trade Area.
‘EEC in 1992’ is a challenge for ASEAN not to shun or avoid but to face squarely and to make optimum use of the new opportunities presented by the Community in 1993 with renewed vigour, relying on ASEAN solidarity and the unfailing resilience of the ASEAN population.

Commissioner Abel Matutes of the EEC addressed the concerns mentioned in the Joint Communique of the 23rd ASEAN Ministerial Meeting about the possible adverse consequences of the EEC assistance to Eastern Europe and of a Single European Market as follows:

I reaffirm here that ASEAN and other developing countries will not suffer from the sustained financial effort of the EC in favour of Eastern Europe. To the contrary, they will benefit from increased market opportunities on these countries’ development but also ... from the enhanced policy of the EC Commission ... which envisages ... an 82 percent increase of EC development finance during the period 1991-95 compared to 1986-90 [ASEAN] will benefit not only from development aid, but also from increased business co-operation.38

These are resounding words of reassurance that remain to be translated into living reality. As the deadline is approaching, time will be more than telling. In any event, many ASEAN countries have been in existence long before most of the EEC countries. Absence or reduction of the EEC’s assistance will not be ASEAN’s major concern. However, diversion of attention, lack of co-operation or the return to protectionism on the part of the common market or any of ASEAN’s principal trading partners for that matter, could present a frightening prospect for the future of world trade for any non-European nation, ASEAN not excepted. What ASEAN would welcome most warmly is the liberalization of international trade and free access to world market. Working together as friends in harmony, ASEAN and the EEC could learn to achieve this lofty objective.

37 See the Joint Communique of the 25th ASEAN Ministerial Meeting, Manila, 21-22 July 1992, paras 6, 14, 15 and 16.
38 See the 23rd ASEAN Ministerial Meeting and PMC with Dialogue Partners, Jakarta, 27-29 July 1990, ISSN 0215-1634, p 70.