

EU-EAST ASIA:
STRATEGIC PARTNERSHIP, TRADE AND ECONOMIC COOPERATION

Collection of Documents

Edited by:

Evgeniy KANDILAROV, Soyoung KIM and Svetla KARTEVA-DANCHEVA

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WHY EAST ASIA MATTERS TO THE EUROPEAN UNION?

The EU's rising interest in Asia has been largely based on the economic and political importance of Asia in the post-Cold War period, as well as the impact that it has had on Europe's own international relations.

In the early 1990s, numerous, mostly economic, analyzes, including such made by reputable international financial institutions as the World Bank and the Asian Development Bank, described the development of the East Asian region as an "East Asian economic miracle."¹ Moreover, the theory emerges that the 21st century will be the "Asian Century". This term refers to the dominant role that Asia is expected to play in the 21st century due to its fast growing economy and demographic trends. The concept of the Asian Century gained credence following the rapid economic growth of China and India since the 1980s, which propelled both of them to the ranks of the world's largest economies. According to the Asian Development Bank (ADB), the Asian share of global GDP is predicted to reach 52 percent by 2050.²

Taking into account this geopolitical and geoeconomic reality in 1994, the European Commission produced its first Asia strategy paper under the title "*Towards a New Asia Strategy*". The document stresses the need for Europe (the EU from 1993) to "*strengthen its economic presence*" in, and "*develop a political dialogue*" with, Asia, "*make a positive contribution to regional security*" and economic development, as well as promote the consolidation of democracy, the rule of law and respect for human rights in the region.³

Over the last thirty years, the European Union has been steadily and gradually developing the full range of relations with the South, East and South-East Asia region, both bilaterally and multilaterally.

In 2001 the EU updated its Asia strategy launching a new important document called "*Europe and Asia: A Strategic Framework for Enhanced Partnerships*". It brings a whole new dimension into the Union's relations with the region, notably a security one. Indeed, the emphasis is placed on raising Europe's presence in Asia to "a level com-

¹ Page, John. The East Asian Miracle: Four Lessons for Development Policy – NBER Macroeconomics Annual 1994, Volume 9, Stanley Fischer and Julio J. Rotemberg, eds. MIT Press, p. 219–282 – <http://www.nber.org/chapters/c11011>

² Kawakita, Keita. Are We Entering an "Asian Century?": The Possibility of a New International Order. Jul 4 2020 – <https://www.e-ir.info/2020/07/04/are-we-entering-an-asian-century-the-possibility-of-a-new-international-order/>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:51994DC0314&from=EN>

mensurate with the growing global weight of an enlarged EU⁴ The security dimension is clear from Europe's intention to "*build global partnerships and alliances with Asian countries*".⁵ This statement may, furthermore, be seen as paving the way for the approach taken in the 2003 European Security Strategy (ESS), which mentions Japan, China and India as one of the EU's strategic partners in the framework of the Union's expanded international cooperation.⁶

One more step of the EU strategic policy toward Asia is the Council's Guidelines on the "*EU's Foreign and Security Policy in East Asia*" launched in 2005. It shows the growing importance of the region for European interests by making specific recommendations for the EU's contribution to East Asian stability.⁷

The most recent strategic documents, which clearly show the attitude, political and economic interests of the EU towards the region of Asia, as well as the importance of this region in the global are the Joint Communiqué "*Connecting Europe and Asia – Building blocks for an EU Strategy*" (2018) and the "*EU Strategy for cooperation in the Indo-Pacific*" (2021).

In September 2018, the European Union (EU) released its Joint Communiqué titled "*Connecting Europe and Asia – Building blocks for an EU Strategy*", which thereafter has been commonly referred to as the 'EU Connectivity Strategy'. The EU's commitment to facilitate connectivity developments stretching from Europe to Asia is also considered an integral part of the EU's strategy for the Indo-Pacific. According to this document the relationship between the European Union and Asia is of global significance and the ties are likely to increase in the coming years. Asia, with roughly 60% of the world population accounts for 35% of the EU's exports (€618bn) and 45% of the EU's imports (€774bn). For both Europe and Asia, growing global interdependence is an opportunity for increased cooperation, for peaceful political cooperation, fair and stronger economic relations, comprehensive societal dialogue and collaboration on international and regional security.⁸

On 19 April 2021, the Council of the European Union adopted a new strategic document regarding the EU policy toward the broader region of Indo-Pacific. It is called an "*EU Strategy for cooperation in the Indo-Pacific*" and as a follow-up to the Council conclusions, the Commission and the High Representative presented a Joint Communication on the EU's Indo-Pacific Strategy on 16 September 2021.⁹

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52001DC0469&from=en>

⁵ *Ibidem*, p. 15.

⁶ <https://data.consilium.europa.eu/doc/document/ST-15895-2003-INIT/en/pdf>, p. 16.

⁷ https://eeas.europa.eu/archives/docs/asia/docs/guidelines_eu_foreign_sec_pol_east_asia_en.pdf

⁸ https://eeas.europa.eu/sites/default/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf

⁹ <https://data.consilium.europa.eu/doc/document/ST-7914-2021-INIT/en/pdf>

Why is the European Union adopting such a document and paying special attention to the Asia-Pacific region? The answer to this question is contained in the document itself, which emphasizes that the Indo-Pacific region is increasingly becoming strategically important for the EU because the region's growing economic, demographic, and political weight makes it a key player in shaping the international order and in addressing global challenges.¹⁰ Another strong argument is that the region is home to three-fifths of the world's population, produces 60% of global GDP, contributed two-thirds of pre-pandemic global economic growth and is at the forefront of the digital economy.¹¹

At the same time the core reason for the further EU's strategic approach and engagement with the region, also stressed in the document is fact that the EU and the Indo-Pacific are highly interconnected. The EU is already the top investor, the leading development cooperation partner and one of the biggest trading partners in the Indo-Pacific region. Together, the Indo-Pacific and Europe hold over 70% of the global trade in goods and services, as well as over 60% of foreign direct investment flows.¹²

Together with this the analyses of the EU underlines that current dynamics in the Indo-Pacific have given rise to intense geopolitical competition adding to increasing tensions on trade and supply chains as well as in technological, political and security areas.¹³ The universality of human rights is also being challenged. These developments increasingly threaten the stability and security of the region and beyond, directly impacting on the EU's interests.¹⁴

In light of these factors, it was essential for the EU to step up its strategic engagement with the Indo-Pacific region and to reinforce cooperation with Indo-Pacific partners, including in bilateral, regional and multilateral contexts.¹⁵

The central theme of the "*EU Strategy for Cooperation in the Indo-Pacific*" is the diversification and expansion of strategic partnerships beyond China, Japan, Republic of Korea, and India, and interregional ties with ASEAN. In doing so, the EU outlines seven priority areas for the Indo-Pacific where it aims to uphold a '*rules-based international order*' and '*fair environment for trade and investment*'. These priority areas include sustainable and inclusive prosperity, green transition, ocean governance, digital governance and partnerships, connectivity, security and defence, and human security.¹⁶

¹⁰ https://ec.europa.eu/info/sites/default/files/jointcommunication_indo_pacific_en.pdf, p.1

¹¹ Ibidem.

¹² https://ec.europa.eu/commission/presscorner/detail/en/QANDA_21_4709

¹³ https://ec.europa.eu/info/sites/default/files/jointcommunication_indo_pacific_en.pdf, p.2

¹⁴ <https://data.consilium.europa.eu/doc/document/ST-7914-2021-INIT/en/pdf>

¹⁵ https://ec.europa.eu/info/sites/default/files/jointcommunication_indo_pacific_en.pdf, p.2

¹⁶ Enter EU: The Challenges and Cooperation Potential of the Indo-Pacific Strategy, October 19, 2021, Policy Briefs – <https://eias.org/policy-briefs/enter-eu-the-challenges-and-cooperation-potential-of-the-indo-pacific-strategy/>

The strategy represents a fundamental step towards the formation of a joint EU policy in the most dynamic and consequential region of the world, bringing in significant resources to address vital challenges such as climate change, openness of sea routes, connectivity and development.

The world's economic and political center of gravity has been shifting towards the Indo-Pacific for years. With China playing an increasingly dominant role in everything from trade to military power and technology, the relative decline of American supremacy is quite visible. This poses a new challenge for Europe, whose economic future and geo-political relevance is inextricably linked to developments in Asia.

The answer to the question why East Asia matters to the European Union is clear and it is because the whole Indo-Pacific region is rapidly evolving and is becoming the centre of gravity in terms of trade, economic interaction, demographics and security challenges. It is part of the world's largest and most populous continent. That's why it is of great political, economic and geostrategic importance to the EU.¹⁷

* * *

This collection of documents is dedicated to the relations between the European Union and the East Asian region, which includes three of the EU strategic partners in East Asia: China, Japan and the Republic of Korea. From the EU point of view East Asia faces security concerns such as the nuclear challenge in North Korea, the maritime disputes in the East and the South China Seas, and the Taiwan issue. The EU is a strong economic player in East Asia and is working to foster fair trade, multilateralism, institution building, democracy, good governance and human rights.

The documents included in this collection are combined. Some of them present the official position of the EU institutions regarding the individual countries of East Asia as well as the region as a whole. Another part of the documents collected here are the most important bilateral agreements and treaties between the EU and individual countries in the field of politics and security, economics and trade, science and technology, etc.

We believe that this documentary volume will help to better understand and study the relations between the EU and the countries of East Asia, which are undoubtedly of great importance for the development of contemporary global politics and economy in the dynamically changing international relations and world order in the 21 century.

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¹⁷ <https://www.europarl.europa.eu/factsheets/en/sheet/182/east-asia>