

**February 2022**

The 'Indo-Pacific' is a region that encompasses the countries bordering the Indian and Pacific Oceans and that is centred on east and south Asia. It has become the leading driver of world economic expansion and an ever-more important commercial and strategic priority for the EU. It is also a complex region where growing competition between China and the US overlays a patchwork of historical rivalries and traumas mediated by regional integration initiatives. The main example of the latter is the [Association of Southeast Asian Nations](#) (ASEAN), which emerged during the Cold War from the post-WWII retreat of European and Japanese imperialism in south-east Asia. As a club of states whose membership is based on sovereign consent, ASEAN shows some superficial similarities to the EU, but also important differences.

The EU has much at stake in the Indo-Pacific. The region is a source of demand for EU exports and of supplies of critical resources and technologies, and the location of vital maritime and overland transport routes. It is home to systemic rivals to the EU, as well as fellow democracies grappling with political, demographic and social challenges similar to those facing many EU countries. Understanding and engaging with this region is therefore crucial for the EU. In this context, in September 2021, the EU adopted a [strategy for cooperation in the Indo-Pacific](#) followed, in December 2021, by the '[global gateway](#)' strategy. On 22 February 2022, the French Presidency held a [ministerial forum](#) with the EU Member States and partner countries from the Indo-Pacific, an area that [France](#) has placed at the heart of its strategy. On 11 February 2022, the United States also adopted an [Indo-Pacific strategy](#).

The situation in the Indo-Pacific

Australia's strategic view of the Indo-Pacific

Briefing by Matthew Parry, February 2022.

Australia, which is bordered to its west by the Indian Ocean and to the east by the Pacific Ocean, and lies in close proximity to members of the Association of Southeast Asian Nations (ASEAN) to its north, can be described as a central Indo-Pacific state. Since 2012, the idea of the Indo-Pacific has become a point of reference for Australian governments to define the country's foreign and security policy interests.

Japan's global vision: Tokyo's evolving foresight practices, Indo-Pacific strategy and EU-partnership

Briefing by Eamonn Noonan with Kjeld van Wieringen, December 2021

While Japan and the European Union have differing security policy perspectives and capabilities, joint efforts can have a positive impact in areas such as infrastructure, digital connectivity, overseas development assistance and energy sustainability. Common challenges include shifts in global economic power, the emergence of China, and uncertainties around the United States' international engagement.

The Association of Southeast Asian Nations (ASEAN) – The EU's strategic partner in Asia

Briefing by Martin Russell, November 2021

The EU and ASEAN operate in very different ways. ASEAN is a strictly intergovernmental organisation in which decisions are based on consensus. While this approach has made it difficult for south-east Asian countries to achieve the same level of integration as the EU, it has also enabled ASEAN to accommodate huge disparities among its 10 member states.

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Mapping threats to peace and democracy worldwide: Normandy Index 2021

Study by Elena Lazarou and Branislav Stanicek, July 2021

Country case studies on China, India, Indonesia, Myanmar, Pakistan, the Philippines and Thailand.

The Quad: An emerging multilateral security framework of democracies in the Indo-Pacific region

Briefing by Enrico D'Ambrogio, March 2021

The first Quad summit took place in March 2021. The grouping has emphasised that its goal is to maintain the liberal rules-based international order, which China is seeking to undermine through a revisionist challenge of the status quo. The Quad's efforts are focused not on creating institutions or military alliances, but rather, on generating gradual convergence for cooperation on multiple issues, including Covid-19, climate change, critical and emerging technologies, counterterrorism, cybersecurity and disaster recovery.

Forests in south-east Asia: Can they be saved?

Briefing by Martin Russell, September 2020

Nowhere in the world are forests shrinking faster than in south-east Asia. Rapid population growth and economic development are putting the environment under intense pressure. Between 1990 and 2020, an area larger than Germany was deforested, over half of it in Indonesia.

India and challenges ahead in the Indo-Pacific region: Opportunities for cooperation with the EU

Briefing by Enrico D'Ambrogio, May 2017

Lying in the middle of the Indian Ocean, India relies heavily on the ocean for its energy and trade, but also has to face the security challenges – both conventional and non-conventional – that the ocean presents. Meanwhile, India's operational theatre is widening to include a bigger geopolitical region: the Indo-Pacific, including the South China Sea. Alongside this broadening horizon, India needs to reckon with an emerging actor: China.

The role of China

Towards a joint Western alternative to the Belt and Road Initiative?

Briefing by Gisela Grieger, December 2021

At their 2021 G7 summit, leaders from Canada, France, Germany, Italy, Japan, the UK and the US agreed on a global 'values-driven, high-standard and transparent infrastructure partnership', known as the 'Build Back Better World' (B3W) initiative, echoing US President Joe Biden's 2020 'Build Back Better' campaign trail slogan. It is the first collective attempt of major democracies to craft a sustainable and targeted alternative to the BRI and to address the challenges it poses to the rules-based international order.

EU-China relations in challenging times

Briefing by Ulrich Jochheim, October 2021

The EU has changed its strategic approach to China considerably, as exemplified by the 2019 joint communication proposing various legal instruments to secure a level playing field in trade and fend off Chinese attempts to gain access to critical infrastructure. Relations between China and the European Parliament have deteriorated, leading Parliament to put the comprehensive agreement on investment (CAI) – agreed on 30 December 2020 – on ice.

Stepping up EU cooperation with Taiwan

'At a glance' note by Ulrich Jochheim, October 2021

Since its political transition began in the 1980s, Taiwan has become a vibrant democracy and has also joined the ranks of high-income countries. Economic relations between the EU and Taiwan are flourishing, as illustrated by the fact that the EU is Taiwan's most important source of foreign direct investment. The European Parliament has called repeatedly for the EU to take the first steps towards a bilateral investment agreement.

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Sino-Japanese controversy over the Senkaku/Diaoyu/Diaoyutai Islands: An imminent flashpoint in the Indo-Pacific?

Briefing by Gisela Grieger, July 2021

The EU has traditionally held a position of principled neutrality as regards the legal title to the disputed islands. However, the risk of unintended incidents, miscalculation and military conflict arising from the unresolved dispute poses a challenge to regional peace and stability and to the EU's economic and security interests.

Asian Infrastructure Investment Bank –How lean, clean, and green is the AIIB?

'At a glance' note by Gisela Grieger, February 2021

In 2013, China proposed the establishment of the Asian Infrastructure Investment Bank (AIIB) as a new source of infrastructure financing in Asia. Like the China-led Belt and Road Initiative, the AIIB reflects the emergence of China's new, much more assertive foreign policy posture.

China tightens its grip over the South China Sea

'At a glance' note by Gisela Grieger, February 2021

Of all the disputed areas claimed by China, the South China Sea (SCS) has been the most prominent in recent years, since it involves the largest number of actors with overlapping claims to maritime features and waters, as well as non-claimant countries, owing to its strategic importance as one of the world's busiest shipping lanes. In 2020, China stepped up its salami-slicing tactics to assert its sweeping 'historic' rights, while Malaysia, Indonesia, the Philippines, and Vietnam dismissed them in an alignment of positions supported by a 2016 landmark arbitration award under the United Nations Convention on the Law of the Sea (UNCLOS).

Taiwan in 2020 and beyond

'At a glance' note by Gisela Grieger, February 2021

Key issues to watch are the impact of the strategic rivalry between the US and China on Taiwan's economy, and the future of US strategic ambiguity as a deterrent against a potential hostile invasion of the island.

EU projects and trade agreements

Prospects for EU-Asia connectivity – The 'European way to connectivity'

Briefing by Enrico D'Ambrogio, April 2021

In September 2018, the EU adopted a joint communication on 'Connecting Europe and Asia – Building blocks for an EU strategy'. The strategy proposed that the EU engage with its Asian partners through a sustainable, comprehensive and rules-based approach to connectivity, exploiting existing and planned EU networks. It acknowledged the presence of a significant investment gap in connectivity and recognised the need to mobilise and strengthen cooperation with private investors, national and international institutions, and multilateral development banks. Analysts welcomed the strategy as the EU response to China's Belt and Road Initiative (BRI).

Trade negotiations between the EU and ASEAN member states

Briefing by Krisztina Binder, November 2020

After negotiations were suspended in 2009 on a region-to-region free trade agreement (FTA), the EU decided to pursue bilateral trade agreements with the individual ASEAN member states. To date, six have begun talks on bilateral FTAs with the EU: Singapore and Malaysia in 2010; Vietnam in 2012; Thailand in 2013; the Philippines in 2015; and Indonesia in 2016. Negotiations have already been concluded and FTAs entered into force with two of these countries, Singapore and Vietnam, in November 2019 and August 2020 respectively. Negotiations are under way with Indonesia, while talks are currently on hold with Malaysia, the Philippines and Thailand.

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Palm oil: Economic and environmental impacts

Briefing by Martin Russell, November 2020

Economical and versatile, palm oil has become the world's most widely used vegetable oil. Although palm oil can be produced sustainably, rising consumption increases the risk of tropical rainforests being cut down to make way for plantations. Deforestation threatens biodiversity and causes greenhouse gas emissions. In view of this, the EU has revised its biofuels policy to phase out palm oil-based biodiesel by 2030.

Religion and the EU's external policies: Increasing engagement

In-depth analysis by Philippe Perchoc et al, February 2020

Religion plays a key part in the foreign policies of a number of countries worldwide, as illustrated in this in-depth analysis by case studies of nine countries, including China, India, Myanmar and Nigeria.

International Agreements in Progress: EU-Vietnam trade and investment agreements

Briefing by Martin Russell, November 2019

The European Commission described the free trade and investment protection agreements (FTA/IPA) signed with Vietnam as the most ambitious deals of their type ever concluded by the EU and a developing country. Not only would they eliminate over 99 % of customs duties on goods, they would also open up Vietnamese markets to European service providers and investors.

International Agreements in Progress: EU-Singapore trade and investment deals pass major milestone

Briefing by Krisztina Binder, April 2019

Singapore was the first member state of the Association of Southeast Asian Nations (ASEAN) to conclude bilateral trade and investment agreements with the EU. The EU views bilateral agreements with ASEAN members as steps towards achieving the final objective of a region-to-region trade and investment agreement with ASEAN. Therefore, the EU Singapore agreements are considered a reference as regards the EU's ambition to conclude trade and investment agreements with other ASEAN members.

Further reading

Security and defence in the Indo-Pacific: What is at stake for the EU and its strategy?

In-depth analysis requested by the SEDE Subcommittee, Policy Department for External Relations, December 2021

What Think Tanks are thinking – China: Partner or rival?

Briefing by Marcin Grajewski, June 2021

Statistics

ASEAN: Economic indicators and trade with EU

'At a glance' infographic by Györgyi Mácsai, Giulio Sabbati, EPRS and Igor Tkalec, Globalstat, EUI, December 2021

The economies of most ASEAN countries contracted due to the turmoil caused by the Covid-19 pandemic in 2020. Three of them, however, (Brunei, Myanmar/Burma and Vietnam) still managed to grow in terms of gross domestic product, although at a much slower rate than in previous years.

Japan: Economic indicators and trade with EU

'At a glance' note by Györgyi Mácsai, EPRS and Igor Tkalec, GlobalStat, EUI, February 2022

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China: Economic indicators and trade with EU

'At a glance' note by Györgyi Mácsai, EPRS and Igor Tkalec, GlobalStat, EUI, September 2021

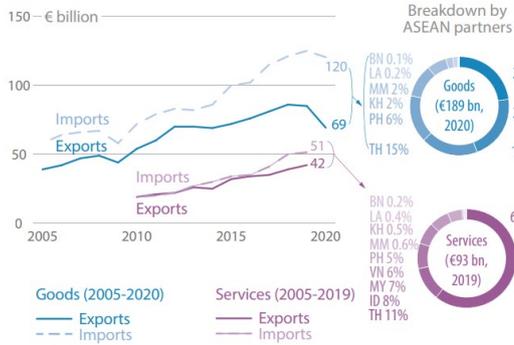
India: Economic indicators and trade with EU

'At a glance' note by Giulio Sabbati, EPRS and Igor Tkalec, Globalstat, EUI, April 2021

Australia: Economic indicators and trade with EU

'At a glance' note by Nadejda Kresnichka-Nikolchova, February 2020

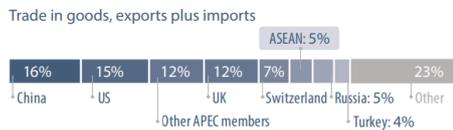
EU trade with ASEAN



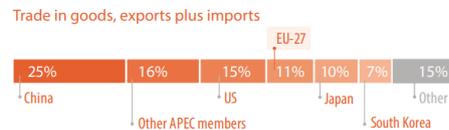
Top EU partners (2019)



EU main trading partners (2020)



ASEAN main trading partners (2020)



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