



## SOUTHEAST ASIA

The EU is forging closer ties with Southeast Asian countries and is promoting regional integration with the Association of Southeast Asian Nations (ASEAN). The EU is a strong economic player in Southeast Asia and an important development aid donor, working to foster institution-building, democracy, good governance and human rights. The EU has geostrategic concerns in the region, such as the South China Sea dispute, and environmental concerns in the Mekong sub-region. The EU has mobilised a 'Team Europe' package of over EUR 800 million to tackle the COVID-19 pandemic in the region and to mitigate its socio-economic impact.

This fact sheet describes the Southeast Asia region. See also the fact sheets on South Asia ([5.6.7](#)) and East Asia ([5.6.8](#)).

### LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union (TEU);
- Articles 206-207 (trade) and 216-219 (international agreements) of the Treaty on the Functioning of the European Union (TFEU);
- Partnership and Cooperation Agreements (PCAs) (bilateral relations).

#### A. Association of Southeast Asian Nations (ASEAN)

The first ASEAN summit, held in Bali in February 1976, brought together Indonesia, Malaysia, the Philippines, Singapore and Thailand, plus Brunei Darussalam, Vietnam, Laos, Cambodia and Myanmar. ASEAN follows a strict policy of non-interference in its members' domestic affairs.

The EU and ASEAN are like-minded partners in a challenging geopolitical context, both believing in rules-based multilateralism. Over the course of four decades, ASEAN and the EU have established a strong relationship, mainly in trade and economic relations. The potential for greater engagement is enormous, based on common interests and shared values.

The EU has a strategic interest in developing Asia's regional integration, and pursues Partnership and Cooperation Agreements (PCAs) and Free Trade Agreements (FTAs) with individual ASEAN members. The EU is ASEAN's second-largest partner, with a 13% share of ASEAN's total trade with the world. ASEAN is the EU's third-largest partner outside Europe (after the US and China). The ultimate goal remains the conclusion of an EU-ASEAN region-to-region Free Trade Agreement.



The 36th ASEAN Summit, held virtually in Hanoi in June 2020, focussed on the COVID-19 response, the post-pandemic recovery and further cooperation. Leaders also [urged self-restraint and non-militarisation in the South China Sea](#). After the Summit, in July 2020, the EU mobilised a 'Team Europe' package of over EUR 800 million to support actions at country and regional level to address the immediate COVID-19 health crisis.

Parliament supports the upgrading of EU-ASEAN relations to a strategic partnership, with the aim of strengthening its relations with the parliaments of the ASEAN countries by establishing an EP-AIPA<sup>[1]</sup> Inter-Regional Parliamentary Dialogue that reinforces parliamentary diplomacy.

#### **B. Asia-Europe Meeting (ASEM) and Asia-Europe Parliamentary Partnership Meeting (ASEP)**

The 14th Asia-Europe Meeting (ASEM) took place in Madrid in December 2019, and was aimed at strengthening economic cooperation, political dialogue and the promotion of people-to-people links between the EU and Asia.

The 10th Asia-Europe Parliamentary Partnership Meeting (ASEP-10) took place in Brussels in September 2018, with partners highlighting the need for effective and swift action on climate change, security cooperation, trade relations and human rights. The US withdrawal from the Paris Agreement highlighted the importance of Asia-Europe relations and multilateralism for a rules-based global order, which requires further transparency of working methods. The 11th Asia-Europe Parliamentary Partnership Meeting (ASEP-11) is scheduled for 2021 in Phnom Penh, Cambodia.

#### **C. Indonesia**

Indonesia is a member of the G20, the world's third-largest democracy and the largest Muslim-majority country. Indonesia is becoming an increasingly key partner for the EU.

Indonesia held its presidential, parliamentary and regional elections in April 2020. For the first time, these elections took place simultaneously. Final results show that Joko Widodo (Indonesian Democratic Party) was returned for a second term. Regional elections are scheduled for December 2020 to elect 9 governors, 224 regents and 37 mayors across the country. COVID-19 challenged Joko Widodo's leadership and broad popularity. The administration prioritises infrastructure development, with the assistance of foreign and private investment. However, policymaking in the near term is focussed on containment of the pandemic and putting the economy onto a recovery path. In October 2020, Indonesia passed the controversial Omnibus Job Creation Bill, which the government claims will attract investment, but it is currently being challenged before the constitutional court over its feared impact on the environment and labour rights. The Indonesian economy is supported by a strong private sector. Indonesia's GDP is expected to grow at around 5% per year over the entire 2018-2022 period. The Government has, however, revised its forecast downwards to a range of 1.1% contraction to 0.2% growth, due to the fallout of the COVID-19 pandemic.

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[1]AIPA: ASEAN Inter-Parliamentary Assembly.



EU-Indonesia cooperation is based on the 2014 Partnership and Cooperation Agreement. Indonesia and the EU held the fourth Joint Committee meeting in February 2020 in Jakarta, focussing on recent political and economic developments, the implementation of the PCA, sectoral cooperation and EU-ASEAN relations. Leaders reiterated their commitment to the Paris Agreement, aiming to enhance and accelerate their cooperation in the field of the environment, natural resources, climate action, forest legality and the circular economy. As palm oil remains a sensitive topic for Indonesia (it is the world's largest palm oil producer and had filed a complaint against the EU's biofuels policy at the WTO), leaders encouraged the certification of sustainable production and responsible trade.

The ninth round of negotiations on a comprehensive EU-Indonesia Free Trade Agreement was held in December 2019 in Brussels and tackled a broad range of areas, particularly trade in goods, services, investment and rules of origin. Due to the COVID-19 crisis, the EU and Indonesia held a virtual round of negotiations in most negotiating groups in June 2020. The EU is Indonesia's third-largest trading partner, with total trade worth more than EUR 30 billion in 2019. EU investments in Indonesia amounted to EUR 33.1 billion in 2017. The 5th Security Policy Dialogue between the EU and Indonesia was held virtually in October 2020. The EU and Indonesia discussed the fight against terrorism and violent extremism, countering narcotics, peacekeeping, maritime security, cyber security, non-proliferation and disaster management.

On 24 October 2019, Parliament adopted a resolution on the proposed criminal code in Indonesia, which allows discrimination on the grounds of sex, religion and sexual orientation as well as discrimination against minorities. It welcomed President Widodo's decision to delay its adoption following large-scale protests attended by thousands of people across the country.

#### **D. Myanmar**

The EU has been an active partner in Myanmar's democratic transition and at the forefront of the international community's re-engagement with the country since it began to re-establish democracy and open up to the world. There is no formal framework agreement in place because of decades of international isolation and sanctions. The Council endorsed a strategy for relations with Myanmar in 2016.

Since the 2015 elections, observed by the EU with the participation of Parliament, democratic reforms have been progressing. Aung San Suu Kyi assumed the posts of state counsellor, foreign minister and minister of the Office of the Presidency, giving her real executive powers. The Myanmar Constitution, written by the military government in 2008, restricts the new government's actions. Myanmar is still engaged in a civil war that began in 1948. A ceasefire was agreed in October 2015, but a number of ethnic insurgent groups have not signed it.

The latest general elections took place on 8 November 2020. Aung San Suu Kyi's ruling National League for Democracy (NLD) won enough seats in parliament to form a new government even though the opposition, backed by Myanmar's army, accused the government of irregularities.



The EU is a strong economic partner and development aid donor, fostering democracy and institution-building and allocating EUR 688 million for the 2014-2020 period. Total trade between the two partners equalled EUR 3.4 billion in 2019. As a Least Developed Country, Myanmar benefits from the Everything But Arms (EBA) trade initiative under the Generalised Scheme of Preferences (GSP), allowing companies to enjoy duty-free and quota-free exports to the EU market for all products except arms and ammunition.

Myanmar is having to contend with an escalation of inter-communal tensions. On 21 August 2020, the fourth meeting of the Union Peace Conference or '21st Century Panglong' resumed. The conference is designed to resolve conflicts between the military and ethnic insurgent groups by transforming a Nationwide Ceasefire Agreement into a lasting settlement.

The 6th EU-Myanmar Human Rights Dialogue was held in October 2020. The EU and Myanmar discussed the situation in Rakhine, Kachin and Shan States, humanitarian access and the situation of internally displaced persons, as well as accountability for alleged human rights violations, fundamental rights and freedoms, economic, labour and social rights, the rights of women and human rights cooperation in multilateral fora. The EU also reaffirmed its strong support for Myanmar's democratic transition, notably in the context of its peace and reconciliation process.

There are major human rights issues, foremost among which is the persecution of the Rohingya people in Rakhine. Since August 2017, over 800 000 Rohingya refugees have fled to Bangladesh to escape persecution in Myanmar. In August 2019, thousands of refugees refused attempts by Bangladesh, Myanmar and the UN to repatriate them on account of security concerns.

Parliament condemned the human rights violations against the Rohingya in its resolution of 19 September 2019. In November 2019, Gambia filed a case at the International Court of Justice (ICJ) against Myanmar, based on the UN's Genocide Convention. Aung San Suu Kyi appeared before the ICJ in December 2019, rejected allegations of genocidal intention and defended Tatmadaw, the Myanmar Armed Forces. In January 2020, the ICJ mandated 'provisional measures', requiring Myanmar to halt the violence in Rakhine and preserve evidence of possible genocide.

## **E. The Philippines**

In May 2016, Rodrigo Duterte won the presidential election with 39% of the vote. He adopted controversial measures against drug trafficking with 'shoot to kill' orders that led to flagrant human rights violations. President Duterte changed the Philippines' foreign policy, building a new alliance with Russia and China, despite the controversy over the South China Sea and the Philippines being one of the claimant ASEAN states in this dispute. ASEAN and China are attempting to negotiate a Code of Conduct, but talks have been held up amid the COVID-19 crisis.

In May 2017, Duterte declared martial law in Mindanao until the end of 2019, mainly because of the presence of so-called Islamic State (IS) militants in the Muslim-majority city of Marawi and other cities. IS claimed responsibility for attacks that took place in September 2019 in the southern Philippines. The EU has supported the Mindanao Peace Process throughout the years and welcomed the peaceful conduct of the



referendum in early 2019. The EU remains committed to supporting the Bangsamoro Autonomous Region in Mindanao through its different instruments.

According to several surveys, a large majority of Filipinos approve the government's work to control the spread of COVID-19 and its efforts to assist those who have lost their jobs. Duterte's trust rating is increasing and the next presidential election in the Philippines will be held in May 2022.

The EU has become increasingly concerned about the human rights violations, particularly the extrajudicial killings related to the 'war on drugs' and the Anti-terror Bill passed in July 2020. As the Philippines has benefited from the EU's GSP+ trade preferences scheme since December 2014, at the 108th Session of the ILO Conference in Geneva in June 2019, the EU reminded the country of its commitment to ratify and implement international conventions on human and labour rights, as stated in the GSP + Agreement.

The EU and the Philippines signed a Partnership Cooperation Agreement (PCA) in 2011, which entered into force in March 2018. The [first Joint Committee](#) met in Brussels on 28 January 2020 and established three specialised subcommittees: on Development Cooperation; on Trade, Investment and Economic Cooperation; and on Good Governance, Rule of Law and Human Rights.

The Joint Committee allows the Philippines and the EU to develop the full potential for cooperation in different sectors with a view to raising the bilateral relationship to a higher level and strengthening ties based on mutual interest and respect.

The EU is a significant donor to the Philippines, providing EUR 325 million for the period 2014-2020. The rule of law and inclusive growth are focus areas. EU-Philippines bilateral trade in goods amounted to EUR 14.9 billion in 2019 and the EU ranks as the Philippines' fourth-largest trading partner. Negotiations on an EU-Philippines Free Trade Agreement were launched in December 2015 and a first round took place in May 2016. These cover a broad range of issues, including tariffs, non-tariff barriers to trade, trade in services and investment, as well as trade aspects of public procurement, intellectual property, competition and sustainable development.

In a resolution on 17 September 2020, Parliament urged the EU and Member States to proactively support the adoption of a resolution at the UN Human Rights Council. The resolution also called on the Commission to temporarily suspend trade preferences for the Philippines for failing to comply with the conditionality provisions on human rights.

## F. Vietnam

EU-Vietnam relations are based on the Partnership and Cooperation Agreement adopted in 2016. A total of EUR 400 million was allocated for the 2014-2020 period, with a focus on good governance, energy and climate change, especially in the Mekong Delta.

Vietnam continues to be a one-party communist state with no political freedom, despite being one of the most successful examples of a country that has transitioned from a failed communist economic system to an open and market-oriented economy. Vietnam is one of the fastest growing countries in ASEAN, having recorded average GDP



growth of almost 7% between 2010 and 2020. EU-Vietnam trade in goods amounted to EUR 45.5 billion in 2019 and EU FDI stock in Vietnam was EUR 7.4 billion in 2018. Parliament gave its consent on 12 February 2020 to an EU-Vietnam Free Trade Agreement (FTA) and to an Investment Protection Agreement (IPA). The EU and Vietnam ratified the FTA on 8 June 2020 (and it entered into force on 1 August 2020). The FTA involves the immediate elimination of 65% of tariffs on EU exports to Vietnam and 71% of such duties on imports from Vietnam. The EU-Vietnam IPA will still need to be ratified by individual EU Member States.

The EU and Vietnam held the eighth round of their Human Rights Dialogue in Brussels on 4 March 2019. Areas such as freedom of expression, the death penalty and cybersecurity were discussed. On 17 October 2019, the EU and Vietnam signed a Framework Participation Agreement to set a legal basis for Vietnam's participation in EU crisis management operations.

### **G. Thailand**

The EU-Thailand partnership is based on the 1980 framework agreement. The parties completed negotiations for a Partnership Cooperation Agreement (PCA) in March 2013, but it was halted following the military coup in 2014. On 14 October 2019, the Council adopted conclusions with a view to pursuing gradual political re-engagement. Since then, work has progressed to prepare for the timely signature of the PCA, which would dramatically increase cooperation between the EU and Thailand. Meanwhile, steps are also being taken towards the resumption of negotiations on an ambitious and comprehensive FTA.

The EU is Thailand's third-largest export market and Thailand is one of the EU's main trade partners in ASEAN. In 2019, bilateral trade amounted to EUR 33.1 billion. The 14th EU-Thailand Senior Officials' Meeting took place in Brussels on 16 October 2019 to discuss trade, migration, cooperation, climate change and human rights issues.

Thailand is a constitutional monarchy, but a military junta has ruled the country since 22 May 2014. The military has suppressed opposition by imposing martial law, and human rights abuses have been reported. King Bhumibol Adulyadej died in late 2016. King Maha Vajiralongkorn Bodindradebayavarangkun was crowned in May 2019, although he had already been on the throne for two years.

The pro-military party won the general election on 24 March 2019, amid claims of manipulation, bad information and inconsistencies in voter turnout. Prayuth Chan-ocha, the former 2014 military leader, was appointed as PM in June 2019. Chan-ocha was already PM from 2014 to 2019 under the National Council for Peace and Order (NCPO). Although the junta rule officially ended in July 2019, the military still has influence over the government.

The ongoing Thai protests against the government of PM Prayut Chan-ocha have included demands for reform of the Thai monarchy, which is unprecedented in the contemporary era. On 23 February 2020, the first wave of protests was triggered by the Constitutional Court decision to disband the Future Forward Party, an opposition party popular among young people. The Future Forward Party gained the third-largest



number of seats in the House of Representatives following elections in March 2019 and had in recent months emerged as the most active opposition party. On 15 October 2020, the Thai Government declared a state of emergency to try to put an end to the protests, reserving the right to impose a curfew and martial law.

In February 2017, the junta initiated peace talks with the insurgency in the southern Muslim-majority provinces. Thailand officially launched a peace process with the insurgent group Barisan Revolusi Nasional Melayu Patani (BRN) from southern Thailand on 21 January 2020 in Kuala Lumpur. The negotiations have been mediated by Malaysia.

Parliament has passed resolutions on human rights, migrant workers and labour rights in Thailand.

## H. Cambodia

The EU's relations with Cambodia date back to the 1977 Cooperation Agreement. The EU is the country's biggest donor, allocating EUR 410 million for the 2014-2020 period for improving governance and the rule of law, as well as for the Khmer Rouge Tribunal. Years of civil war rendered Cambodia one of the poorest states in Southeast Asia. After the 1991 Paris Peace Agreements, Cambodia adopted a Constitution in 1993, laying the foundations for a liberal, multi-party democratic state with regular elections. On 26 February 2018, the Council adopted conclusions on Cambodia in the light of political developments and the continuing deterioration of democracy, respect for human rights and the rule of law.

Prime Minister Hun Sen and his ruling Cambodian People's Party (CPP) won the general election on 29 July 2018, but the opposition claimed that the electoral process had been neither free nor fair. The leader of the opposition Cambodia National Rescue Party (CNRP), Kem Sokha, was arrested in September 2017. Sam Rainsy, the former leader of the CNRP, has been in self-exile since 2015. The CNRP was dissolved in November 2017. Although Kem Sokha's house arrest was lifted in November 2019, he remains under court supervision, will face trial for treason and is prohibited from engaging in any sort of political activity. In September 2020, PM Hun Sen reportedly said that Sokha's court case could continue for up to four years, beyond the local elections in 2022 or the national elections in 2023.

In February 2020, the Commission decided to withdraw part of the tariff preferences granted to Cambodia under the EBA trade scheme on account of the serious and systematic violations of the human rights principles enshrined in the International Covenant on Civil and Political Rights. The relevant Regulation entered into force on 25 April 2020 and came into effect as of 12 August 2020. Cambodia's economy is dependent on international aid and garment exports and is heavily susceptible to labour costs. The withdrawal of tariff preferences, and their replacement with the EU's standard tariffs, mainly affect garment and footwear products. The withdrawal amounts to around one-fifth or EUR 1 billion of Cambodia's yearly exports to the EU.

In September 2017, Parliament passed a resolution calling on the Cambodian Government to end Kem Sokha's politically motivated prosecution. In September 2018,



it again adopted a resolution calling for all charges against Kem Sokha to be dropped and for his immediate release.

## I. Singapore

The EU and Singapore cooperate very closely in business, science and technology. On 13 February 2019, the EU and Singapore ratified three 'new generation' agreements: the EU-Singapore Partnership and Cooperation Agreement (EUSPCA), the EU-Singapore Free Trade Agreement (EUSFTA) and the EU-Singapore Investment Protection Agreement (EUSIPA). The FTA with Singapore entered into force on 21 November 2019. These agreements are designed to boost political, economic and trade ties between the two parties and will significantly reduce customs duties on both sides. Technical and non-tariff barriers to trade in goods will be removed in a wide range of sectors.

The EU is Singapore's third most important trading partner. EU-Singapore two-way trade in goods reached EUR 47 billion in 2019. Singapore is a major destination for European investment in Asia, with FDI stocks having amounted to EUR 227 billion in 2017. In return, Singapore is the third-largest Asian investor in the EU. Singapore held its general election on 10 July 2020 instead of the initially scheduled date of April 2021, allowing PM Lee Hsien Loong and his government to deal with the current COVID-19 threat and its economic challenges. Lee Hsien Loong and his People's Action Party (PAP) won 83 out of 93 seats in Parliament, while the biggest opposition group, the Workers' Party, had its best result to date, winning 10 seats. PAP has never lost an election before and has governed the city state since 1959. PM Lee Hsien Loong has long said he will hand over power before he turns 70, which is in 2022. Finance Minister Heng Swee Keat, Lee's deputy, is in line to succeed.

While supporting the work of civil society, the EU and Parliament have been unequivocal in calling for the abolition of the death penalty.

## J. Brunei Darussalam

The Sultan of Brunei, Hassanal Bolkiah, rules the state, while Prince Billah Bolkiah is taking on more and more responsibilities. Political liberalisation is non-existent. The penal code was reformed in 2014 to incorporate a new Sharia-based approach. In April 2019, a new penal code was enacted to impose new forms of punishment that include death by stoning for gay sex and adultery and the amputation of limbs for theft. Following an international outcry, Brunei extended a moratorium on the death penalty.

The EU is actively enhancing its relations with Brunei, but there is no framework agreement yet. An EU-Brunei Partnership and Cooperation Agreement is in the process of being negotiated and will cover a range of political and economic areas. Relations are mainly handled through ASEAN. The EU was Brunei's fifth-largest trading partner in goods in 2018, with an overall value of EUR 740 million. Trade between the EU and Brunei is mainly in machinery, motor vehicles and chemicals.

In its resolution of 18 April 2019, Parliament strongly condemned the entry into force of the Sharia Penal Code. It reiterated its condemnation of the death penalty and underlined that the provisions of the Sharia Penal Code violate Brunei's obligations under international human rights law.



## K. Laos (the Lao People's Democratic Republic, Lao PDR)

EU-Laos relations are based on the 1997 Cooperation Agreement. The EU is providing over EUR 500 million for the 2016-2020 period, supporting the Lao Eighth National Socio-Economic Development Plan, which focuses on achieving high economic growth with an overall target of graduating from Least Developed Country status by 2020. Development Commissioner Mimica visited Laos in September 2019 to strengthen relations and discuss topics such as nutrition, good governance and trade assistance.

Laos is a one-party state. The Lao People's Revolutionary Party (LPRP), in power since the end of the civil war in 1975, rules the country with an iron grip and with no opposition to challenge it. The country's next national election is scheduled to be held in 2021. Laos is deepening its relations with China and ASEAN, seeking to attract greater investment. Economic reforms have led to sustained economic growth of over 7% since 2014. The COVID-19 pandemic has brought renewed challenges to this agenda, severely affecting economic growth which will decline to an estimated range of between -0.6 to -2.4 % in 2020.

Despite economic reforms, the country is still poor and dependent on international aid. As a Least Developed Country, it benefits from the EU's Everything But Arms trade scheme. Total trade between the EU and Laos amounted to EUR 380 million in 2019.

The EU devotes particular importance to the human rights situation, including the situation of people displaced by huge dam constructions on the Mekong. The ninth annual EU-Lao PDR Human Rights and Governance Dialogue took place in Vientiane in March 2019. At the 108th Session of the ILO Conference in Geneva in June 2019, the EU called on Laos to address the issue of the sexual exploitation of children.

## L. Malaysia

The EU and Malaysia concluded negotiations on a Partnership and Cooperation Agreement in December 2015. The negotiations on an EU-Malaysia Free Trade Agreement were put on hold at Malaysia's request in April 2012, after seven rounds. The EU is Malaysia's third-largest trading partner and one of its biggest foreign investors. Investment stocks in the country reached EUR 24.5 billion in 2017. EU-Malaysia overall trade in goods reached EUR 36.6 billion in 2019. Malaysia's GDP growth was 4.5% in 2019, but the COVID-19 pandemic has affected growth in 2020.

In late March 2019, the Commission announced that the use of palm oil in transport fuel should be phased out on the basis of the Renewable Energy Directive, which sets a sustainable bioenergy target of 32%. Both Indonesia and Malaysia protested and lodged complaints with the World Trade Organisation (WTO). The EU says palm oil cultivation causes excessive deforestation. Malaysia, though, insists that it is working to improve the sustainability of its palm oil industry. Malaysia, which is the world's second-largest producer of palm oil, will act as a third party in Indonesia's case as a mark of solidarity with Indonesia. Malaysia's Barisan Nasional (BN) coalition, which includes the United Malays National Organisation (UNMO), was defeated for the first time ever in the May 2018 general election. PM Mahathir Mohamad, leader of the Alliance of Hope, replaced Najib Razak, who faces twelve years in jail pending appeal. In November 2019, the opposition Barisan Nasional (BN) coalition won a by-election



and PM Mahathir Mohamad's administration collapsed. With the backing of UMNO, in March 2020 King Abdullah swore in Muhyiddin Yassin, president of the United Indigenous Party (PPBM), as PM leading a new Perikatan Nasional (PN) coalition. However, on 13 October 2020, the leader of the opposition, Anwar Ibrahim, met the king in a bid to prove he has a convincing parliamentary majority to form a new government and he called on PM Muhyiddin Yassin to resign.

The European Parliament has condemned the death penalty, the lack of respect of LGBTI rights and the silencing of public discontent, as well as the lack of peaceful expression, including public debate.

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