

Press Statement

ASEAN-EU Policy Dialogue on Connectivity, 24-28 February 2014

1. To support ASEAN and EU's respective goals of achieving a connected region and forge greater ASEAN-EU connectivity, ASEAN and EU representatives held a policy dialogue in Brussels on 24-28 February 2014. The policy dialogue was a follow-up to the 19th ASEAN-EU Ministerial Meeting, which explored ways to promote cooperation on connectivity, and the briefing of EU officials in ASEAN related meetings. ASEAN was represented by the ASEAN Connectivity Coordinating Committee (ACCC) and senior capital-based officials from ministries or agencies coordinating the implementation of the Master Plan on ASEAN Connectivity. On the EU side, discussions were led by the European External Action Service (EEAS) in close cooperation with Directorate General Development & Cooperation of the European Commission with active engagement from a large number of Directorates General of the European Commission and the European Investment Bank. The ASEAN Ambassadors in Brussels and the EU Head of Delegation to ASEAN also participated in the discussions. ASEAN participated in a public event organised by the Friends of Europe on ASEAN Connectivity and the Role of Europe to share ASEAN's efforts in implementing the MPAC.
2. Enhanced connectivity would benefit ASEAN and EU Member States through acceleration in economic growth and competitiveness as well as increased trade and investment. ASEAN and the EU, two major regional organisations in the world, are natural partners in promoting connectivity. Trade between ASEAN and the EU grew by 3.3% from US\$234.6 billion in 2011 to US\$242.6 billion in 2012. The EU is ASEAN's third largest trading partner and ASEAN is the EU's third largest trading partner in 2012. Foreign direct investment (FDI) flows from the EU into ASEAN was recorded at US\$23.3 billion and the EU continued to be ASEAN's biggest source of FDI.
3. ASEAN and EU representatives noted the significant progress in implementing the Master Plan on ASEAN Connectivity (MPAC) and the Europe 2020 Strategy. The implementation of MPAC will bring greater prosperity to the countries of ASEAN and deepen regional integration by strengthening physical, institutional and people-to-people connectivity while Europe 2020 Strategy sets five ambitious objectives covering employment, innovation, education, social inclusion and climate change/energy to make the EU a smart, sustainable and inclusive economy.
4. The ASEAN-EU policy dialogue on connectivity exemplified what makes the ASEAN-EU partnership unique. ASEAN and EU representatives exchanged experience on enhancing connectivity and explored further public and private financing. EU

reaffirmed its support for the Master Plan on ASEAN Connectivity through its current and future programmes.

Physical connectivity

5. Enhanced physical connectivity demanded more integrated intermodal transport, ICT and energy infrastructure networks. ASEAN updated EU representatives on the progress made in enhancing integrated and sustainable transport network, enhancing regional air transport cooperation through the Implementation Framework of the ASEAN Single Aviation Market (ASAM), strengthening maritime cooperation, implementing the ASEAN ICT Master Plan 2015, particularly the development of the ASEAN Broadband Corridor, and universal access, and realising the ASEAN Power Grid. The EU representatives updated ASEAN on its space activities and investments in satellite navigation (Galileo and EGNOS), in Earth observation (Copernicus) and space research through the Horizon 2020 programme. The EU representatives invited ASEAN scientists and engineers to participate in the EU programmes under Horizon 2020. ASEAN and the EU would like to develop a strong partnership in the Space domain.
6. EU supported the enhancement of physical connectivity within ASEAN in different ways. The EU supported the development of ICT infrastructure through the ongoing programme Trans-Eurasia Information Network (TEIN). EU-financed multi-country projects of the SWITCH Asia programme helped to resolve institutional issues in ASEAN energy infrastructure projects, in line with ecological principles. ASEAN looked forward to possible EU financing for ASEAN Connectivity strategies on energy and transport under the future Asia Investment Facility (2014-2020) and working with the European Investment Bank for financing and technical assistance.

Institutional connectivity

7. Enhanced institutional connectivity raised the effectiveness of physical connectivity by facilitating the flow of goods and services, reducing the cost of moving goods and services, and ensuring greater returns from improved physical connectivity. EU representatives noted the updates from ASEAN on developments in facilitating greater cross border movement of goods and passengers through transport facilitation agreements and trade facilitative measures, as well as implementing the ASEAN Single Window (ASW) with the successful conduct of a pilot project by 7 participating ASEAN Member States.
8. EU provided support for enhancing ASEAN's institutional connectivity through the 15M€ ASEAN Regional Integration Support by the EU (ARISE) programme which covers activities on the harmonisation of standards, trade facilitation and transit arrangements. The upcoming EU-ASEAN Migration and Border Management

Programme (3.4 M€) intends to include visa simplification to facilitate connectivity. Under the ASEAN regional envelope of the Multi-annual Financial Framework (2014-2020), the EU intends to enhance its support to institutional connectivity and develop a programme for institutional connectivity, regional integration and trade. Physical connectivity is also supported via the Regional EU-ASEAN Dialogue Instrument (READI).

9. ASEAN and EU representatives welcomed the outcomes of the EU-ASEAN Aviation Summit held in Singapore on 11-12 February 2014 which proposed to take aviation cooperation to a new level. The EU, through the 5M€ ASEAN Air Transport Integration Project, is providing assistance to ASEAN in developing the institutional frameworks and strengthening institutional capacities within ASEAN with a view to achieving a safe, secure and sustainable ASEAN Single Aviation Market.

People-to-people connectivity

10. Enhanced people-to-people connectivity served as the socio-cultural glue that supports and anchors the various initiatives toward greater physical connectivity as well as the regulatory reforms that are needed to ensure institutional connectivity in the ASEAN region. The EU representatives noted that the ASEAN Curriculum Sourcebook and the ASEAN University Network (AUN) ASEAN studies course were available as teaching materials and ASEAN was working on progressively liberalising visa restrictions, the establishment of ASEAN Virtual Resource Learning Centre and the development of ASEAN Communications Master Plan to deliver the ASEAN Community Building Programme. The EU and ASEAN intend to work together to create greater awareness of the role of sustainable tourism development in economic development strategies.
11. EU's support to people-to-people connectivity was focused on education through the 10M€ EU Support to Higher Education in ASEAN Region (EU SHARE) programme, which was expected to contribute towards the harmonisation of recognition systems between higher education institutions in ASEAN. Erasmus Mundus is a cooperation and mobility programme in the field of higher education, offering scholarships to students and academia worldwide. Each year some 250 students and 100 academic staff from the ASEAN region go on Erasmus Mundus scholarships to Europe for a stay of at least one year.

Engaging the EU Stakeholders

12. ASEAN recognised that engaging and involving the private sector and other stakeholders in the implementation of MPAC can result in advantageous partnerships. ASEAN met with private businesses in Luxembourg, the Association of European Chambers of Commerce and Industry, and Antwerp port community. The EU supported European businesses in different ways: through "Missions for Growth", the

support to Business Centres in several ASEAN countries and SME support programmes, such as the “EU business avenues in South East Asia” programme. In addition, EU-ASEAN Business Summits provided opportunities for ASEAN and EU enterprises to link up directly.

Way forward

13. ASEAN welcomed the establishment of an EU mechanism to engage with the ACCC in supporting the MPAC and forging ASEAN-EU connectivity. ASEAN and EU representatives looked forward to the first ACCC-EU meeting on connectivity in 2014. ASEAN and EU representatives were committed to further strengthen cooperation on connectivity and therefore, had agreed to explore possible activities on strengthening capacity in attracting infrastructure financing and public-private partnership as well as enhancing border management capabilities.