

Speech by Ambassador Bruno Julien

CERC Asia Conference 27 March 2008

Ladies and Gentlemen, distinguished guests

I would like to thank and commend the CERC for organising such a timely and important conference on Europe-Asia relations. The Centre, together with the University of Melbourne, is very well placed to host such a conference, taking account of its strengths in this area of academic research.

But, I would like to add, this conference is also important within the broader context of the EU-Australia relationship. Europe sees Australia as a like-minded country, with significant expertise in the Asia-Pacific region. Importantly, both Europe and Australia seek to achieve similar objectives in our respective relations with Asia – not least of which is to foster peace and security in the region. Europe's recent efforts in monitoring the peace agreement in the Indonesian province of Aceh – noting that Indonesia is one of Australia's most important neighbours – is a good illustration of just how similar Australian and European objectives are in the region.

I am sure you are all aware of the quote by Rudyard Kipling, often cited by the former European Commissioner for External Relations, Chris Patten: "East is east, west is west, and never the twain shall meet". Of course, Mr. Patten –himself the UK Governor of Hong Kong for many years before joining the European Commission – later went on to prove rather conclusively that this was not, in fact, the case.

Indeed, Europe and Asia have become ever more intertwined – perhaps never more so than in this current age of globalization.

I wish to spend just a few moments today outlining to you just how Europe and Asia have become increasingly interconnected, and even interdependent in some areas. I will briefly sketch Europe's policy towards, and engagement with, the Asia-Pacific region – engagement which spans an increasing number of diverse policy areas.

Manifestly, the Asia-Pacific is a vast region of diverse cultures, religions, and political systems. European engagement with this dynamic, fast-growing region is therefore tailored to each individual country's specific set of circumstances – which, in some cases, makes it difficult to generalise on a regional basis.

However, there are some broad themes I would like to focus on in my address today, taking note of some individual country relationships where possible. These themes form three key pillars of Europe's engagement with Asia – our political, our economic, and our environmental engagement with the region.

Political

Politically, Europe's engagement with Asia spans many years. Notwithstanding this, it must be said that Europe's political profile in Asia is, as one might say, a "work in progress". But while our political engagement with the region continues to evolve, this is not to say that significant things have not already been accomplished in this area.

On a region-to-region or "bi-regional" basis, the EU is involved in a number of peak forums on policy issues of common interest to Asia and Europe. One of the most long-standing examples of this is the Asia-Europe Meeting (ASEM).

ASEM was first established in over ten years ago, in 1996, and forms a key plank of European engagement with key countries in North, South and South-East Asia. It provides a forum for the exchange of ideas, for cooperation and dialogue on political, economic and social issues.

Participants in the ASEM process, in which summits are held on an annual basis, include – from Europe’s side, the EU Member States and the European Commission; from South-East Asia, the ASEAN countries and the ASEAN secretariat; from North Asia, China, Japan, South Korea, and Mongolia; and from South Asia, India and Pakistan. Importantly, ASEM provides a platform for high-level meetings (heads of state or government, ministers and senior officials), with an increasing focus on fostering people-to-people contacts in all sectors of society.

The EU is also closely involved with the Association of South East Asian Nations (ASEAN), and is a member of the ASEAN Regional Forum. We are keen to share our experience of regional integration with our ASEAN colleagues in their ambition to become an ASEAN Economic Community by 2020. Significantly, the EU and ASEAN held their first ever commemorative summit in November 2007 – marking 30 years of EU and ASEAN engagement.

The EU has also just become an observer of the the South Asian Association for Regional Cooperation (SAARC) – comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

To add to the list of initiatives the EU is pursuing with the Asian region, I would note that work is currently ongoing with the Council to develop Common Foreign Security Policy (CFSP) guidelines for East Asia. This will strengthen the European voice in matters relating to this important and fast-growing region, and open up many more opportunities for cooperation and dialogue with our East Asian partners.

On an individual country basis, also, the EU is actively working to boost its engagement with countries in the region.

The EU has annual summits with China and India, and recently opened a strategic dialogue with Japan on East Asia to supplement our long-standing, deep relationship with that country.

The EU has also developed a new strategy in relation to its engagement with China, to take account of that country’s re-emergence as a global economic and political power. The new strategy makes clear that the EU wishes to further intensify its comprehensive engagement with China across a range of areas.

Following the signature of the EU-India Action Plan three years ago, our bilateral relationship with India has “taken off”, as one could say, to reach new heights of cooperation, ranging from high tech strategic programs such as the Galileo satellite navigation project to social affairs.

As a final point on Europe’s political engagement with Asia, I would note that one of the major principles of EU external relations policy is to promote the rule of law, democratic principles and human rights worldwide. This is equally applicable in the Asia-Pacific region as in other regions of the world.

In this respect, I would refer to recent events in the Asia-Pacific region, such as in Tibet and Myanmar, and note that wherever there are reports of civil unrest, the EU urges all Parties to observe their obligations under international human rights instruments.

Economic

Turning now to the economic pillar of our engagement, Asia's economic miracle has not escaped the attention of EU citizens. Europeans cannot fail to be impressed by the display of sheer economic dynamism – dynamism that is not only reshaped the lives of hundreds of millions of Asians, but is also redefining the global economy. Globally, Asia's development is creating important new markets, and even in some cases acting as new drivers of global economic growth. The EU is among those – including Australia – taking advantage of the vast, new opportunities for trade and investment in the Asia-Pacific region.

Importantly, this trade and investment relationship is interdependent – and that to an extent never seen before.

Asia recently surpassed the US, Canada and Mexico to become the EU's largest trading partner, accounting for a third of total trade flows. China alone is the EU's second largest trading partner after the US. Foreign direct investment from the EU into Asia now makes up almost a third of total external European investment, and is growing rapidly.

Consequently, getting our economic relations with Asia right is one of Europe's top external policy priorities. Our preferred framework in this regard is, without question, a successful conclusion of current Doha Development Agenda negotiations in the World Trade Organisation (WTO). However, this is not to say that other avenues cannot complement the multilateral system – and go further still – and, indeed, work is ongoing on other fronts to build stronger foundations for EU-Asia economic engagement.

The European Union recently announced that it would commence Free Trade Agreement negotiations with three dynamic economies in the Asia-Pacific region – India, South Korea, and ASEAN. These are among the first FTAs the EU has sought to negotiate in Asia, and reflect a desire on the part of the EU to strengthen our already significant trade and investment relations with the region. Last but not least, there has been a renewed interest in business to business dialogues between European and Asian industry groups, which can be expected to continue in the future.

The EU and China are also currently in the process of updating their Partnership Cooperation Agreement – which is a broad-ranging agreement encompassing a range of economic cooperation initiatives. While it is not a classic FTA in the sense of containing market access commitments, it is envisaged that the agreement will tackle key behind the border issues, which have replaced the traditional tariff barrier as the largest impediment to trade worldwide. The updated PCA will provide a sound platform for our future economic engagement with the world's fastest growing economy.

Environment

Now turning to the third pillar I mentioned - environmental matters – European engagement with Asia in this area is significant and growing rapidly.

The EU has long been a world leader on matters of environmental policy. In relation to the issue of climate change – which is a global problem by definition – the EU established the first, and the largest, multi-country carbon emissions trading scheme in 2005 in an effort to reduce its greenhouse gas emissions. Recent EU decisions in the environment and energy domain show the strong and ongoing determination of the EU to press ahead in its fight against climate change.

The recent UNFCCC meeting in Bali, Indonesia, in December last year showed that there is now a firm international consensus about the urgent need to tackle climate change. And, furthermore, an international consensus that we cannot afford to waste any time in

responding decisively to this problem, which threatens to disrupt the future of our planet and of our children's children.

Asian countries are critical to finding a global solution to this problem. Significantly, three of the world's top five emitters of greenhouse gases are in the Asia-Pacific. It was no coincidence that last year's UNFCCC meeting was held in Indonesia – one of the largest economies in South-East Asia, and one that is also currently fighting the challenge of widespread deforestation.

Europe remains committed to working with our Asian partners to devise a solution to climate change. Indeed, we have already established a range of initiatives and dialogues with key Asian countries on these matters. For example, the Commission's Directorate General for Environment and their counterpart government agencies in key Asia countries conduct a regular sectoral dialogue on environmental issues.

We look forward to broadening and deepening our cooperation with our Asian partners on environment and energy. The EU is keen to share its experiences in improving energy efficiency, and there is much to gain from EU-Asia collaboration on new, low-carbon technologies that will become all the more important in the future.

Conclusion

In conclusion, ladies and gentlemen, I have spoken briefly to you today about the breadth of European engagement with the diverse Asia-Pacific region in three key areas – political, economic and environmental.

While time has not allowed me to address these issues in as much depth as might be desired, I hope you take away from my remarks the fact that Europe remains firmly committed to Asia.

While our relations in some areas – such as the political pillar – are constantly evolving, Europe has already made significant progress in this area, and more progress is likely in future to strengthen European political engagement in the region.

Further opportunities for this enhanced cooperation could be provided by the Lisbon reform treaty, which is due to be ratified by the 27 Member States of the Union by the end of 2008. The treaty will strengthen the EU's voice in many key international policy areas.

On other pillars, such as in economic matters, the dynamic growth in EU-Asia trade in the last decade can be expected to continue.

In relation to our engagement on environmental issues, EU-Asia cooperation is already very strong. But it could be deepened and expanded still further – and indeed, we look forward to opportunities to do this in the context of devising a global solution to climate change.

Europe welcomes the opportunity to strengthen our relations with Asia on all fronts – working in partnership to collectively confront the challenges of the 21st century. I have no doubt that your seminar will reveal a wealth of expertise in this area, and I very look forward to receiving the conclusions of your deliberations.