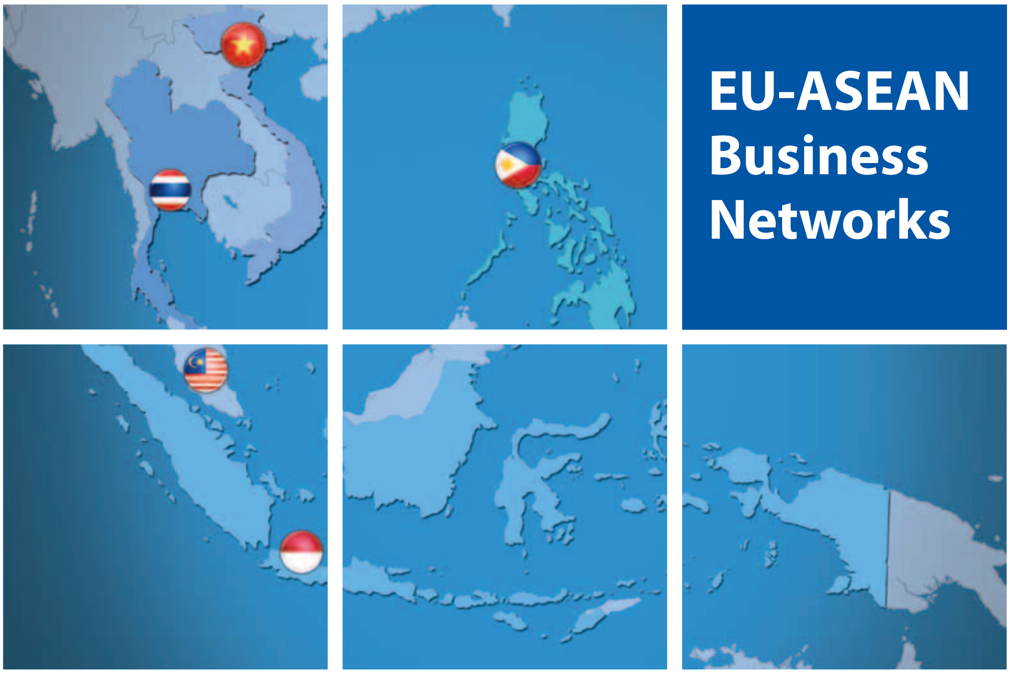
EU - ASEAN Business Update

Edition 1 / November 2014 E - NEWSLETTER



Editorial

The EU-ASEAN Business Networks are pleased to present the first edition of the EU-ASEAN Business Update. This quarterly newsletter covers the work and market updates from European consortiums in five ASEAN countries, created under the European Union's SEBSEAM (Support for European Business in South East Asian Markets) programme: Indonesia (EIBN), Malaysia (SEBSEAM-M), Thaland (EABC), Vietnam (EVBN) and the Philippines (EPBN).

Since their creation, these Networks have been working to ensure that EU companies are able to do business in ASEAN markets as efficiently and openly as possible. In each country, the Networks implement targeted advocacy at all political levels and provide high quality market entry and business support to EU SMEs. It is their common goal to contribute to the export activity of all EU SMEs in the region and enhance EU-ASEAN trade.

On the eve of the ASEAN Economic Community (AEC), a single market promising effective free flow of goods, services and investment, the Networks share the momentous responsibility to stand by EU businesses and help them make the most of what this 625 million people market will bring from 2015 onwards.

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Feature Article

Interview H.E. Dr. Lim Hong Hin, ASEAN DeputySecretary-General for ASEAN Economic Community

The AEC market offers many opportunities to EU businesses

Dr. Lim is supervising the kick-off of the ASEAN Economic Community (AEC) in 2015, a single market and production base that will push for new historical dynamics in the region and the world. The EU, an economic zone with free movement of goods, services, capital and persons, has been a partner in sharing its experience with ASEAN. Dr. Lim talked to us about the state of affairs of ASEAN economic integration, what the AEC will mean for business, and what can the expectations be for EU companies looking into the region.

The ASEAN region is globally recognized as a high potential investment destination, but how united are its Member States in improving local business environments?

A free, open, transparent and integrated investment environment in the ASEAN region is vital to the success of ASEAN's economic community building efforts. All 10 Member States have put forth a unified effort for the enforcement of the ASEAN Comprehensive Investment Agreement (ACIA, in force since March 2012). ACIA is a united response to further make ASEAN a preferred investment destination for domestic and global businesses. ACIA covers investment liberalization, protection, promotion and facilitation. Several countries have already liberalized their investment rules, while under the ACIA, AMS have committed to a rules-based system of dispute settlement to address the concerns of foreign investors on regulatory changes. These regional initiatives are further reinforced by measures in the domestic fronts, such as a one-stop service system for business procedures, review of investment-related laws and enhancing incentive packages to further attract investors, among others. These efforts have gained traction in terms of investment climate and in FDI inflows to the 10 AMS, sustained at US$122.4 billion in 2013 (a 7.1% increase from 2012 and almost 50% higher than in 2007.)

Are there different degrees of expec-tation among Member States regarding the fruits of the future ASEAN Economic Community (AEC)?

(continues p.2)

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Feature Article: Interview with Dr. Lim Hong Hin

ASEAN has been unwavering in its long-standing commitment to regional economic integration, as embodied in the AEC. It aims to transform ASEAN into a single market and production base, a highly competitive economic region, a region of equitable economic development, and fully integrated into the global economy. Different factors and circumstances make AEC implementation progress across areas and among AMS likely to be uneven. But this should not be interpreted as lack of priority or reneging on the regional economic integration agenda.

In what areas can European businesses have a competitive advantage in ASEAN markets?

The AEC market of 625 million people with a US$2.4 trillion GDP offers many opportunities for EU businesses in meeting a growing domestic demand for more sophisticated and high quality products and for serving as an export base to other countries in the region. Top export commodities from the EU into ASEAN countries include heavy electrical machineries, aircrafts, automobiles, optical and medical instruments, pharmaceutical products, iron and steel, beverages. In addition, the sectors which are attractive for European companies who target the ASEAN market include electrical/electronics, food processing, mechanical engineering, automotive components, information technology and software, and tourism. There is also an opportunity for technology in the renewable energy sector, for example, the increasing demand in ASEAN market for clean technology solutions, especially in more developed ASEAN Member countries.

In a nutshell, what are the effects of EU-ASEAN cooperation?

ASEAN-EU cooperation has spanned a long time, even predating its institutionalization in 1980. The EU has been instrumental in the ASEAN integration process by sharing its own experience of region building. Currently, ASEAN and the EU are working on a Trade and Investment Work Program to further enhance economic relations between the two regions. Efforts like these have brought about positive economic achievements. EU-ASEAN trade expanded from US$ 242.6 billion in 2012 to US$ 246.2 billion in 2013, representing 9.8% of ASEAN's total trade and placing the EU as ASEAN's second largest trading partner. In turn, ASEAN was the EU's third largest trading partner. The EU remains the largest source of FDI inflows to ASEAN, reaching nearly US$ 27 billion in 2013 (22% of total FDI inflows to ASEAN). Therefore, we believe that a stronger link can steer the EU-ASEAN relationship towards more effective bilateral and global cooperation in a rapidly changing world order for the good of our people.

What do you think are the strong points of the AEC which can raise the interest of EU SMEs in the region and its new single market?

The establishment of AEC will bring about new opportunities in the form of a huge market of US$2.4 trillion and over 625 million people. The community comprises some of the world's most dynamic economies, and amidst the diversity lay complementary strengths and potential. A shared market engenders shared benefits. With reduced barriers to trade and investment, investors can move more freely in the ASEAN region, have greater access to capital and benefit from moving goods easily across borders. Also, simplified rules in the region translate to greater market access. Trade in the region will be facilitated through simple, harmonized and streamlined trade and customs documentation as well as rules and procedures.

Will the ASEAN single market function as a truly free trade space with minimal barriers to movement of goods and capital in the next 5 years?

Within ASEAN's AEC pillar there are five core elements: free flow of goods, services, investment, skilled labour; and freer flow of capital. There has been significant progress on many fronts. For instance, there has been substantial progress in achieving tariff reduction and elimination among AMS (e.g. tariffs among the ASEAN-6 countries have been reduced to zero for 99.65% of tariff lines). In turn, under ACIA, most AMS already have relatively liberal investment regimes in the goods sector, especially in manufacturing. The private sector in the region has also noted improvements in investment facilitation and in the overall investment climate in AMS, also in respects to capital markets. But the work is not yet done. Addressing issues related to nontariff barriers and trade facilitation, and open markets for cross-border services is necessarily more complex and will go beyond 2015. Thus, they will be among the priorities of ASEAN's post-2015 AEC agenda. The initiatives that have been implemented to date, even if still not completely implemented, are already changing the business landscape in ASEAN for the better and yielding more opportunities. While some assessments are pessimistic and argue that the AEC will not be in place by 2015, most assessments are actually quite pragmatic and hopeful. AEC is fully on board and in step with the Post-2015 Vision which will build upon the significant advances made under the existing AEC Blueprint and will respond to emerging developments and challenges of the future.

ABOUT ASEAN

The Association of Southeast Asian Nations is a political and economic organisation of ten countries of Southeast Asia, which was formed on 8 August 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Since then, membership has expanded to include Brunei, Cambodia, Laos, Myanmar (Burma) and Vietnam. Its aims include accelerating economic growth, social progress, socio-cultural evolution among its members, protection of regional peace and stability, and opportunities for member countries to discuss differences peacefully. In 2015, the ASEAN Economic Community will integrate it into a single market of 600 million consumers, with freer movement of capital, goods and services.

In 2012, its combined nominal GDP had grown to more than US$2.3 trillion. If ASEAN were a single entity, it would rank as the sixth largest economy in the world, behind the US, China, India, Japan and Germany.

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EIBN EU - INDONESIA BUSINESS NETWORK

NEWS Indonesia

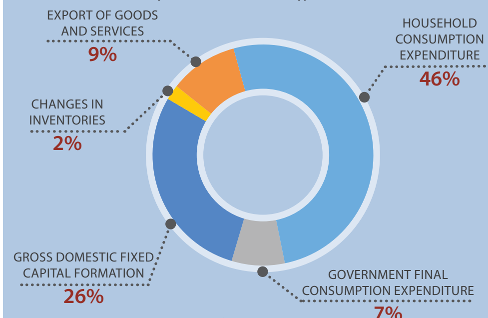
Edition 1 / November 2014 — E - NEWSLETTER — www.eibn.org

ABOUT INDONESIA

Capital	Jakarta
Area	1.904.569 km²
Distance East - West	5.120 km
Population	254 million

QUARTERLY UPDATE

Composition of Indonesian GDP
(% of total share), 2013



Source: World Bank, Ministry of Economy

Growth	5.1%
Inflation rate	4.7% (August 2014)
Balance of Trade	+124 m$ (July 2014)
Budget Balance	-2.4 %

QUARTERLY NEWS HIGHLIGHTS

October 20, 2014
Jokowi sworn in as President
read more

September 26, 2014
ASEAN can catch up with the EU in 2030
read more

September 18, 2014
Tackling fuel subsidies top priority for Indonesia's new government
read more

EIBN NEWS

October 25

EIBN Sector Reports now Online

EIBN has released four Sector Reports covering the Food & Beverage, Textile and Footwear, Healthcare, and Automotive sectors. The reports, free to download on the Web Portal, provide an overview of each of those market sectors in Indonesia and their business potential. They also analyze related challenges and opportunities in the Indonesian market and other relevant information. All reports were developed by the EIBN team and are a good source of information for EU companies. They are downloadable free of charge for registered users after logging in on the Web Portal. **Download them here.**

September 26

EIBN and EVBN toured Europe

Vietnam and Indonesia: Gateways to ASEAN was the title of the roadshow conducted by EIBN and the EU-Vietnam Business Network in the Czech Republic (22), Croatia (24) and Slovenia (25). Attending SMEs had the opportunity to learn more about these two ASEAN markets and our Networks. Read more **here.**

September 16

EIBN/BKPM investment info session

EIBN and the Indonesian Investment Coordinating Board (BKPM) hosted the interactive info session "Investing in Indonesia: Opportunities and Services to EU companies" on the 16th of September 2014. Check the conclusions of the discussion and download the invited experts' presentations **here.**

For more news and information, check **www.eibn.org** and contact us through our **online messaging system**

UPCOMING EVENTS

EIBD EU-INDONESIA BUSINESS DIALOGUE

The 5th EU-Indonesia Business Dialogue

19 November, Jakarta

The 5th EU-Indonesia Business Dialogue (EIBD) will be held in Jakarta on 19th November. EIBD will again attract several representatives of the Indonesian and the European business communities to a dialogue forum conducted by Indonesian and European business leaders to formulate solutions and recommendations on EU-Indonesia trade and investment. The EIBD Conference 2014 is hosted by EIBN and the Indonesian business community (KADIN Indonesia). Know more **here.**

EIBN hosts Irish Delegation

05-07 November

A trade mission with 5 participating companies from Ireland will be in Jakarta in an initiative organized by EIBN and Entreprise Ireland. Know more about this activity **here**.

Manufacturing Indonesia

03-06 December

Manufacturing Indonesia is the biggest construction trade fair in the country. EIBN will be present to inform participating European countries. Know more about this activity **here**.

SEBSEAM-M NEWS *Malaysia*

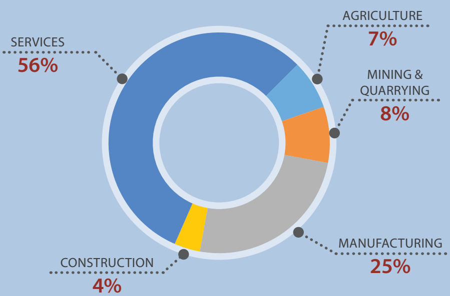
Edition 1 / November 2014 — E - NEWSLETTER — www.eumcci.com/sebseam-m

ABOUT MALAYSIA

Capital	Kuala Lumpur
Area	329,847 km2
Distance East - West	450 km
Population	30.3 million

QUARTERLY UPDATE

Composition of Malaysia Economy 2013
(% of GDP per Sector)



Source: Department of Statistics, Malaysia and Bank Negara Malaysia

GDP Growth	4.7% (2013)
Inflation rate	2.1% (2013)
FDI	$ 12,306 million (Dec 2013)
Trade volume	RM 1.37 trillion (2013)

QUARTERLY NEWS HIGHLIGHTS

October 22, 2014
ADBI Malaysia-Singapore to finalize High Speed Rail details next year *read more*

August 25, 2014
Greater KL gains recognition as a World Energy City *read more*

June 17, 2014
EIU, BER: Malaysia the 19th best country to do business *read more*

SEBSEAM-M NEWS

October 13-14

EU-ASEAN Food Safety Forum

EUMCCI organised the first ever EU-ASEAN Food Forum on Food Safety that took place in Kuala Lumpur. The main focus was on using the EU as a model for providing a regulatory framework for ASEAN in the areas of labelling and shelf life. The forum brought together 150 industry representatives from both the EU and ASEAN countries. Bilateral trade between the EU and ASEAN can be further improved with the availability of a uniform standard for food safety. Determining shelf life, traceability, cold chain management and labelling was the topic of debate. **Read more.**

October 16-19

IGEM 2014

The 5th International Greenwich and Eco Products Exhibition and Conference Malaysia (IGEM) took place on 16-19th October in Kuala Lumpur. Under the EU Pavilion, 7 European countries participated, and the Market Research Report on Energy, Utilities and Environmental Services 2014 was launched. Know more **here.**

September 30

SEBSEAM-M Web portal Launch

The newly launched EUMCCI web portal will be of great assistance in offering EU SMEs knowledge about doing business in Malaysia. Working as a one-stop centre, the portal provides information and expertise. The portal is the outcome of the first national project supported by the EU. Read **more.**

For more news and information, check **www.eumcci.com/sebseam-m** or contact us at **communications@eumcci.com**

UPCOMING EVENTS

HR Committee Social Media's Role in Hiring

November 11, Kuala Lumpur

An interactive panel discussion on how social media networks are used to assist in hiring decisions. The panelist will discuss the benefits, risks and effectiveness of harnessing the social media in the hiring process. Also under discussion will be the legal limits, if any, to employers resorting to such actions and the rights of employees or job candidates to prevent, limit or obtain redress for privacy violations. Read **more.**

Towards the ASEAN Economic Community and Beyond

November 20

EUMCCI brings together a distinguished line-up of panellists to discuss the impact of The ASEAN Economic Community to Malaysia and its priorities. Read **more.**

Stakeholders Get-together

December 4

This event is to celebrate the support EUMCCI received from stakeholders. It will be a great platform for networking and interacting with authorities and experts in your business sectors. Read **more.**

EABC NEWS Thailand

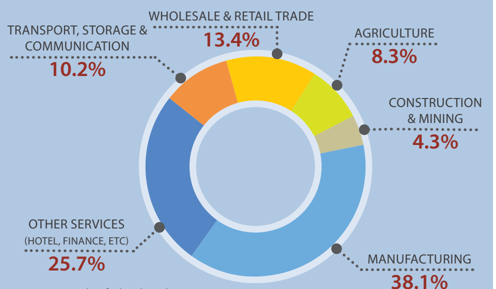
Edition 1 / November 2014 E - NEWSLETTER www.eabc-thailand.eu

ABOUT THAILAND

Capital	Bangkok
Area	510.890 km^2
Distance East - West	780 km
Population	67 million (2013)

QUARTERLY UPDATE

Composition of Thai Economy 2013
(% of GDP per Sector)



Source: Bank of Thailand

Growth	0.9% (Q2, 2014)
Inflation rate	1.75% [Sept, 2014]
Balance of Trade	+1.14B $ [Sept, 2014]
Budget Balance	+ 2.5 %

QUARTERLY NEWS HIGHLIGHTS

October 14, 2014
Germany ready to share experiences on regional integration *read more*

October 10, 2014
Foreign investors encouraged to leverage on economic turnaround *read more*

September 23, 2014
Japan push for Thai support on ASEAN +6 economic development *read more*

EABC NEWS

October 30

Exclusive Lunch Talk with Deputy P.M. of the Kingdom of Thailand

The EABC was proud to host an exclusive lunch talk with H.E. Mr. Pridiyathorn Devakula, Deputy Prime Minister of the Kingdom of Thailand. The lunch served as an opportunity to inform the EABC community of the current government's strategy and vision for reviving the Thai Economy and further enhancing trade and economic development in the long term. Read more **here.**

October 2

Economic & Social Development Plan

The EABC attended a lunch talk organized and hosted by various foreign chambers of commerce, where the Secretary General of the National Economic and Social Development Board, Dr. Arkhom presented Thailand's 11th, 5 year Economic and Social Development plan. Know more **here.**

September 24

Thailand BOI Seminars in Europe

The EABC took part in a seminar organized by Thailand's Board of Investment, in Copenhagen Denmark, to promote Thailand as a market destination for companies in Europe. The EABC's representative made a presentation on the role of the EABC in Thailand. Know more **here.**

For more news and information, check **www.eabc-thailand.eu** or contact us at **info@eabc-thailand.eu**

UPCOMING EVENTS

EABC Business Position Paper Launch

26 February 2015, Bangkok

The EABC is proud to announce the launch of the 3rd edition of its annual Business Position Paper for the year 2014/2015. The Business Position Paper serves as an outline to highlight key trade and investment issues, as well as recommendations on how to improve existing relations between Thailand and the EU, playing an important role in its contributions to the Thai-EU FTA negotiation process. The event will feature key note addresses from the Thai Authorities as well as members from the European Business Community in Thailand. Know more **here.**

Eco Light Tech Asia / 2014

November 12 - 14

Eco Light Tech Asia / 2014 is Thailand's largest international trade show for Green Lighting Technologies and Innovations in Lighting. Know more about this event **here**.

SME Biz Asia 2015

January 22 - 24

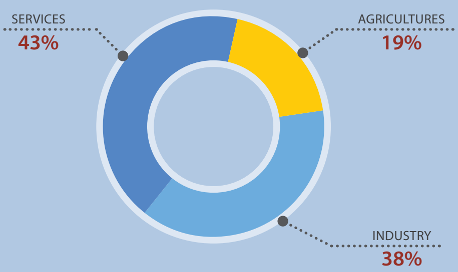
SME Biz Asia envisions serving as a platform to highlight business opportunities and to connect industry players in Thailand and ASEAN. Know more about this event **here**.

ABOUT VIETNAM

Capital	Hanoi
Largest city	Ho Chi Minh City
Area	332.210 km2
Population	93 million

QUARTERLY UPDATE

Composition of Vietnam Economy 2013
(% of GDP per Sector)



GDP Growth	5.52% (2013)
Inflation rate	6.6% (2013)
FDI	$ 21.6 billion (Dec 2013)
Trade volume	$ 264 billion (2013)

QUARTERLY NEWS HIGHLIGHTS

October 9, 2014
Local firms face FTA challenges
read more

August 26, 2014
Social and economic situation in the six first months of 2014
read more

August 26, 2014
Ho Chi Minh City to establish special economic zone *read more*

EVBN NEWS

September 22-25

Roadshows in Europe: Czech Republic, Slovenia and Croatia

As part of its core activities, EVBN has started to reach out to European SMEs through roadshows and info sessions in different European countries. In June and July, EVBN organized events in Italy (approx. 50 attendants), France, Belgium (approx. 50 attendants) and Hungary (approx. 120 attendants). At the end of September, three more roadshows were organized by EVBN together with institutions in Czech Republic, Croatia, and Slovenia. The events were targeted to inform SMEs about business opportunities in Vietnam and Indonesia and offer support for their market entrance activities. Read more **here.**

October

EVBN service at a glance

To understand more about EVBN and its services, such as the "Ask the expert" hotline, Business Incubator in Vietnam, Database of European Providers, SME Starter Kit, EVBN Events, Market Studies, Newsletter and more, check our downloadable PDF now available online. Read more **here.**

December 03 – 06

Salon Pollutec

The 26th international exhibition of environmental equipment technologies and services is an event co-joined by EVBN & the French Chamber of Commerce in Vietnam. EU SMEs will have the opportunity to learn about the legal framework of renewable energy in Vietnam, and figures market opportunities and challenges. Read more **here.**

For more news and information, check **www.evbn.org** or contact us at **info@evbn.org**

UPCOMING EVENTS

Agrofood Trade Mission to Vietnam

January 19 – 25, 2015

Sectors: Gourmet & Fine Food, Food Products & Ingredients, Wine, Spirits & Beer, Tableware & Accessories, Equipment for Catering-Bakery-Confectionery-Bar & Coffee.

This trade mission is highly subsidized by the EVBN and an ideal opportunity for EU SMEs to introduce their products and know-how directly to Vietnamese counterparts from the Agrofood sector. Identify local business agents and partners who can represent your products and your company, meet European players and benefit from their experience and networks and visit point of sales in Hanoi & Ho Chi Minh City. Know more **here.**

Roadshows in Portugal

December 01-02

Two roadshows, one in Lisbon and one in Oporto, are expected to host more than 100 SMEs. Mrs. Delphine Rousselet, Director of EVBN, will be presenting the Vietnamese market. More **here.**

Lifestyle Mission to Vietnam

Second semester of 2015

Sectors: Indoor & Outdoor furniture, Home décor, Tableware, House textile & Embroidery, Handicraft & Gifts. Come to introduce your products directly to Vietnamese. Read more **here.**

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EPBN EU - PHILIPPINES BUSINESS NETWORK

NEWS Philippines

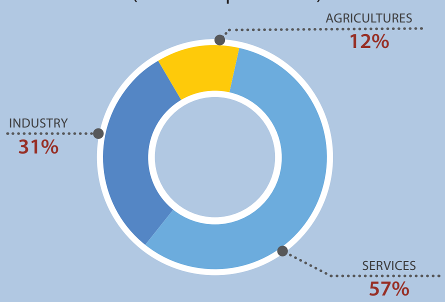
Edition 1 / November 2014 E - NEWSLETTER www.eccp.com

ABOUT PHILIPPINES

Capital	Manila
Area	343,448 km2
Islands	7,107
Population	100 million

QUARTERLY UPDATE

Composition of Philippine Economy 2012
(% of GDP per Sector)



GDP Growth	6.4% (Q2 2014)
Inflation rate	4.3% (October)
Balance of Trade	-17 million USD (August)
Balance of Payments	-24 million USD (Jun 2014)

QUARTERLY NEWS HIGHLIGHTS

September 23, 2014
European Commission backs Phl bid to access EU GSP *read more*

September 24, 2014
H&M opens flagship store in Philippines on Oct 17 *read more*

July 23, 2014
Full entry of foreign banks detrimental to employees *read more*

EPBN NEWS

November 1

EPBN Roadshow in Europe

The EPBN Outreach Officer organized a roadshow across a number of EU countries to increase visibility of the Philippines and provide information on the potential for trade and investment by European companies in the county. In addition to meeting representatives of the business community, he also attended the 2014 SME Assembly in Italy and organized a number of presentations in cooperation with national Chambers of Commerce. There was substantial interest generated during the roadshow across a number of sectors, highlighting that the Philippines' strong economic growth and the opportunities that come with it are increasingly attractive to European business.

September 21

Energy Smart Philippines 2014

EPBN staff joined the annual Energy Smart Philippines event organized by the European Chamber of Commerce. The included the Energy Efficiency, Renewable Energy and Clean Technology Forums and was co-located with the Philippine Solar Summit. Read more. Read more **here**

September 16

EPBN EU PPP presentation

EPBN participated in the presentation made by President Aquino in Brussels to present opportunities for European businesses in the upcoming Public Private Partnership projects in the Philippines. The government currently has 50 projects in the pipeline worth 20 billion USD.

For more news and information, check **www.eccp.com** or contact us at **info@eccp.com**

UPCOMING EVENTS

EU- Philippines Business Summit

1st Semester, 2014, Manila

The EU-Philippines Business Summit will be organized late in the first half of 2015 bringing together high level stakeholdersfrom the public and private sector alike. The aim of the summit will be to provide a platform for discussions at the highest level on the opportunities and obstacles for European businesses trading with and investing in the Philippines and the necessary moves to ensure long term beneficial trade and investment relationships between the Philippines and the EU. The first EPBN Position Paper will also be launched during the event.

IPR Workshop

March 5, 2014

A workshop will be organized to discuss the efforts made by the Philippine government and the steps that still need to be taken, towards further protection of companies' IPRs.

Forum on the Laguna Lake Expressway - Dike PPP Project

November 14, 2014

BFBC, ECCP and EPBN are hosting a forum on the PPP project with the General Manager of the Laguna Lake Development Authority. Read more **here.**

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