

## **NEWS - ECIPE PRESS RELEASE - NEW POLICY BRIEF**

## **EU-ASEAN: Shared Objectives, Severed Trust**

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Brussels, 12 July 2023 - Washington, Beijing, Tokyo, and even London are all shifting their focus to ASEAN, as no one will be a strategic actor in the Indo-Pacific without having the means of influencing ASEAN. Yet, after 45 years of diplomatic dialogue, EU-ASEAN relations continue to dawdle, descending into incrementalism on technical issues or selective bilateral engagement on trade and digital economy.

In this year's edition of our regular policy brief on EU-ASEAN relations, we look at how some of these developments are largely outside Brussels' control. However, the palm oil conflict with ASEANs largest democracies has been allowed to escalate to a point where it can no longer be compartmentalised to a trade issue; and **new EU regulations on sustainability, sovereign wealth funds and data governance are likely to trigger further retaliation and escalation as they target politically important voting groups and constituents.** 

Both sides must now recalibrate their engagement. The EU must abide by the first rule of diplomacy: Show up for high-level engagements, and balance its asks against ASEAN's role for economic security, or the competition the EU faces from China, the US, India, Japan, and Australia. Rightly or wrongly, ASEAN democracies do not perceive that the EU has yet earned the right to be heard. Meanwhile, ASEAN leaders should not write off the EU as an exercise for the technical levels, but as a balancing power between the US and China in its region.

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