



Editorial

In recent years, most ASEAN countries have greatly benefited from (Generalized Scheme of Preferences) GSP, EU's development tool that allows preferential or zero tariff exports to the EU. It has created the opportunities for improved commerce not only for the ASEAN region, but also for local and EU investors alike.

But 2015 brought with it changes in the GSP application across the region. Myanmar, Cambodia and Laos continue to benefit from "Everything But Arms", which allows tariff free access to the EU for all products except weapons. At the start of the year, Philippines is currently the country one benefiting from GSP+. Though Indonesia and Vietnam also continue to benefit from GSP, the GSP programs for Thailand and Malaysia have been terminated, meaning all their exports to the EU will now be subject to import duties.

These changes in GSP implementation will undoubtedly affect investment and trade patterns, as seen in Thailand's drive to finalize a free trade agreement with the EU to meet the demands of the upcoming ASEAN Economic Community (AEC). What remains to be seen is what these changes will mean for each country individually and regional economy.

Feature Article



A look into the preparations for AEC and the opportunities it will provide

2015 ASEAN Economic Community

After years of preparation, one of the most promising economic cooperation efforts is now on its way to opening its doors to the global economy. The ASEAN Economic Community (AEC) aims to create an integrated highly competitive economic region, with equitable economic development, that becomes a single market and production base. Since the 2007 Cebu Declaration, ASEAN member countries have agreed to hasten their combined efforts to implement a system of free flowing goods, services, labor, capital and investments in the region.

The Final Stretch

On track with the ASEAN Economic Blueprint, the concluding activities are now being done across all ministries to make sure that AEC will be successfully launched by December 2015. To ease up intra-region trading, almost all duties have been eliminated for transport of goods between member states. Non-tariff barriers, like lengthy verification processes, have also been decreased for better flow of commodities. Reduction of transaction costs and removal of hindrances to create business for SMEs have also been completed.

The last set of commitments under the ASEAN Framework Agreement on Services (AFAS) is also on its way to completion. A system for easier process for verifying qualifications of skilled workers is also being built. Mutual Recognition Agreements in seven major sectors, like architecture, engineering, medicine and tourism, have also been formalized to assure that the standards of qualifications for professionals in these industries are in sync among the participating countries.

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Upcoming Events



Indonesia: Food & Hotel Indonesia 2015



Malaysia: Rail Solution Asia 2015



Thailand: European Business Position Paper 2015 Launch



Vietnam: Lifestyle Trade Mission to Vietnam



Philippines: EU-PH Business Dialogue





A look into the preparations for AEC and the opportunities it will provide



Amendments in the ASEAN Comprehensive Investment Agreement (ACIA) have also been made to better facilitate all the investment dealings. Under the said agreement, investment provisions have been liberalized to encourage investors from within and outside the region. Measures to protect cross-border investments have also been put in place. AEC's integration with the global economy is also on its way thanks to the trade and investment agreements made with Canada, Australia, New Zealand, Japan, South Korea, Russia and the US.

Though some analysts are in doubt that the region will be ready by the end of the year, ministries are doing their best to finish all policies, agreements and tasks. Member states are also speeding up the infrastructure projects to support the expected growth and development in their individual countries. These projects are made possible through the support of the private sector.

Key Opportunities

All of these efforts are directed towards generating more opportunities in the ASEAN region in all aspects. Based on current economic indicators, fiscal status of the region looks promising. The GDPs of the individual member states have been steadily growing

over the years and the combined investments of the ASEAN 5 (Singapore, Malaysia, Indonesia, the Philippines and Thailand) is at par with China. The combined debt of the member states is at 47% of GDP, which is less than those of UK and US. In addition to the trade agreements with non-ASEAN economies, good economic performance have helped in improving the FDI standings of the ASEAN countries and the region is well prepared to take in foreign investments. It is also a good time for established local companies to take advantage of the intra-region trade agreements and expand their enterprise in Southeast Asia.

Based on current trends, technology related industries are the ones that have great potential for growth. These industries are electronics, information and communications technology as well as medical services. Traditional means of trade are also expected to be outdone by e-commerce. Manufacturing for textiles and apparel is also an industry which has the potential to improve.

At more than 600 million people, the ASEAN's population continues to grow. This population is characterized by an emerging middle class with increasing purchasing power. This translates to a growing consumer market for goods and services, especially in industries like real estate, financing, insurance, health care, education and leisure. The region's population is also characterized by a growing number of skilled workers and qualified professionals. Investors will not have a problem finding workers should they choose to build their businesses in any of the countries in the region.

Though some may look negatively at the political instability in the individual states, there is a general spirit of cooperation among the ASEAN member states. With the AEC and the opportunities for growth and development that comes with it, the relationship between neighboring nations will be strengthened and the intra-region collaborations are expected to become more efficient. The launching of AEC will only be the start of good prospects for the region as it paves the way for the ASEAN Vision 2020.



ABOUT ASEAN

The ASEAN is a political and economic organization 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.



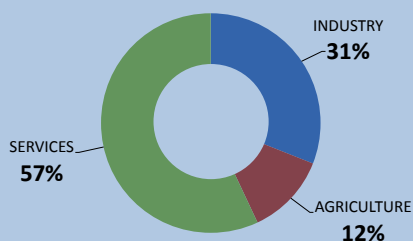
ABOUT PHILIPPINES



Capital	Manila
Area	343,448 km ²
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

February 26, 2015

Philippines has the 2nd Fastest Growing Economy [read more](#)

January 13, 2015

EU Increases Support for the Philippines [read more](#)

February 23, 2015

Bill Allows Foreign Vessels to Serve as Ports [read more](#)

EPBN NEWS

(January 9, 2015)

EPBN Agri-Food Committee Meeting with DA



The EPBN Agri-Food Committee is advocating for a strengthened Agricultural and Food trade relationship between the European Union and the Philippines. A Round-Table Discussion was held with EPBN officers, the Department of Agriculture (DA) Secretary Proceso Alcala and the Regional

Technical Director of the Philippine Development Program (PRDP), Dr. Arnel de Mesa to discuss the recent developments of the department's flagship project. PRDP is a six-year project that is designed to establish a government platform for a modernized, climate-smart, and market oriented agri-fishery sector. [Read more](#)

(November 14, 2014)

Forum on the Laguna Lakeshore Expressway Dike Project

In partnership with the Belgian-Filipino Business Club (BFBC) and the European Chamber of Commerce of the Philippines (ECCP), the EPBN Environment and Water Committee organized the forum on the Laguna Lakeshore Expressway - Dike (LLED) Project last November 14, 2014. Presidential Adviser for Environmental Protection and the concurrent General Manager of the Laguna Lake Development Authority, Sec. Neric Acosta, shared the foreseen impact of the LLED on land use, natural environment and socio-economic status of the communities near Laguna de Bay. [Read more](#)

(March 11, 2015)

EU Joint Reception

The EU Delegation in Manila and EPBN held a joint Reception on March 11th, with the aim of our reception is to encourage networking of EPBN committee members, partners and associates, EU Delegation partners, and EPBN staff, to actively exchange experiences on committee work, and discuss business opportunities and outreach activities that can be developed jointly. [Read more](#)



For more news and information, check www.epbn.ph or contact us at info@epbn.ph

UPCOMING EVENTS



March 2015 EPBN Roadshow in Europe

Starting on March 16 2015, EPBN will be conducting another series of presentations on the viability of the Philippine economy for foreign investments especially from EU countries. This time EPBN Outreach Officer will be touring around the Southeast European countries of Romania, Hungary, Bulgaria, Slovakia and the Czech Republic. [Read more](#)

Water Philippines 2015 Expo

March 25-27, 2015

A high profile event will provide a pivotal platform for companies in the water and wastewater industries to meet and engage in business opportunities while showcasing their products and expertise over this three-day period. [Read more](#)

EU-PH Business Dialogue

May 12, 2015

The EPBN will be holding a high-level stakeholders forum to discuss the opportunities and obstacles for European businesses trading and investing in the country. [Read more](#)



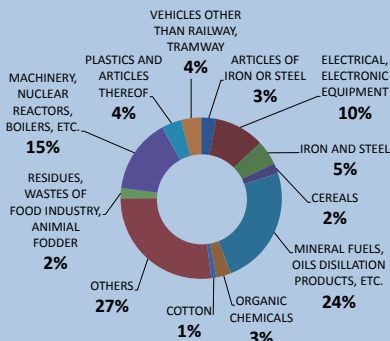
ABOUT INDONESIA



Capital	Jakarta
Area	1.904.569 km ²
Distance East - West	5.120 km
Population	254 million

QUARTERLY UPDATE

Indonesia's Imports By Type of Goods 2013



Sources: World Bank, Ministry of Economy

Growth	5.1%
Inflation rate	6.9% [February 2015]
Balance of Trade	+709 m\$ [February 2015]
Budget Balance	-2.3 %

QUARTERLY NEWS HIGHLIGHTS

February 6, 2015

Indonesia leads use of m-Banking Apps
[read more](#)

January 14, 2015

Indonesia tops SE Asia in luring new factories
[read more](#)

January 13, 2015

ADB commits to \$1.5b in loans for Indonesia's infrastructure development
[read more](#)

EIBN NEWS



November 19

EIBD: Opening a new chapter in EU-Indonesia business relations

The 5th EU-Indonesia Business Dialogue (EIBD) was held in Jakarta on the last 19th November. The 2014 edition counted on the presence of the now former President of the European Council, Herman Van Rompuy; and the VP of Indonesia Yusuf Kalla. Hosted by EIBN, the EIBD attracted many Indonesian and European business leaders and representatives, who had the opportunity to discuss solutions and joint recommendations on issues affecting trade and investment between the EU and Indonesia. [Read more](#)

January 20

Irish Higher Education institutions explored the Indonesian market

EIBN hosted a delegation of 5 Irish Higher Education Institutions to Indonesia. EIBN was successful in introducing the delegation to relevant Indonesian counterparts, and Indonesian government officials. [Read more](#)

January 29

EIBN Business Guide now downloadable in e-booklets

Key and easy-access information about importing/exporting to Indonesia, setting up a business, Indonesia's context and legislation, and more; now freely downloadable in a series of e-booklets at the EIBN Web Portal. [Read more](#)



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

UPCOMING EVENTS

EIBN tours Europe in Q2

March- June 2015



From March to June, EIBN will deliver a round of presentations and business consultations, as well as Healthcare and ICT-focused sessions, in Poland, Romania, Hungary, Italy, Latvia, Finland, Sweden and Ireland. In those sessions, EIBN will cover the specifics of the business potential of the Indonesian market and the support available to EU businesses through the Network. It will also participate in the world's largest tech business event, CeBIT (Germany) in March. [Read more](#)

Food & Hotel Indonesia 2015

15 - 18 April

Food & Hotel Indonesia is a leading food and hospitality trade fair in the country. EIBN will be present to inform participating European countries. [Read more](#)

Trade Missions to Indonesia

October - November

EIBN will be organizing two trade missions to Indonesia in the sectors Healthcare -medical devices and health IT- and ICT. [Read more](#)





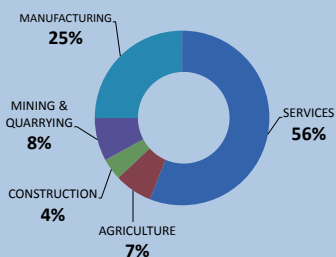
ABOUT MALAYSIA



Capital	Kuala Lumpur
Area	329,847 km ²
Distance East - West	450 km
Population	30.4 million

QUARTERLY UPDATE

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



Source: Department of Statistics, Malaysia and Bank Negara Malaysia

GDP Growth	6.0%
Inflation rate	4.7% [August 2013]
Balance of Trade	+RM83 Billion [2014]
Budget Balance	-2.4 % [2013]

QUARTERLY NEWS HIGHLIGHTS

- February 12, 2015
ADB I 'Malaysia to host Global Food Safety Conference'... [read more](#)
- February 12, 2015
'TNB tariff cut in line with govt's aspiration'... [read more](#)
- February 17, 2015
Khairy: Malaysia well-positioned to benefit from AEC... [read more](#)

SEBSEAM-M NEWS



20 November 2014

Towards ASEAN Economic Community

With the ASEAN Economic Community coming up at the end of 2015 and Malaysia's chairmanship, it is important that the opportunities and challenges are fully understood by the public. EUMCCI organised a panel discussion with panellists from McKinsey Global Institute, Royal Malaysian Customs, Standard Chartered and DPO International. Panellists analysed Malaysia's position towards the integration and identified the opportunities that Malaysia can utilize as well as the threats and possible solutions within their fields of expertise. The event welcomed 53 participants from various industries. [Read more](#)

11 February 2015

EUMCCI new office opening

EUMCCI had an office warming cocktail in conjunction with the new opening of the chamber's business premises. YB Dato' Sri Mustapa bin Mohamed, Minister of International Trade and Industry had taken time off from his busy schedule and officiated the new business premises. [Read more](#)

SEMSEAM-M Web Portal

Need advice? The EUMCCI presents the new SEBSEAM-M Web Portal. The Support for European Businesses in South East Asia Markets – Malaysia Component is co-funded by the European Commission. The aim is to provide you service and expertise on how to facilitate your access to Malaysia and ASEAN Markets. Our web portal allows you to access valuable information and resources online, and to help you to reach out to potential clients. [Read more](#)



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UPCOMING EVENTS

VIP Luncheon with MIDA CEO

March 26, 2015



"The weakening ringgit: how the Government is poised to tackle the problem". The ringgit has been the worst performing currency in Asia. In the past four months the ringgit has fallen more than 10% in comparison to the US Dollar and other foreign currencies. The falling ringgit is putting pressure on the entire Malaysian economy. Find out what are taken to turn this negative trend to increase investment inflows that would make Malaysia a more cost- competitive location for businesses. [Read more](#)

Rail Solution Asia 2015

April 22-24

EUMCCI will be participating for the second time in the Rail Solutions Asia 2015. EU-SMEs and big groups are welcome to join the EU- Pavilion. Participants are invited to the networking event together with Malaysian stakeholders. [Read more](#)

"Accelerating Financial integration - essential for ASEAN growth?"

March 20

In conjunction with the ASEAN Ministers meeting, the event is poised for businesses to understand and capitalise on the positive outlook of the ASEAN integration, with a highlight session on the degree of market integration. [Read more](#)





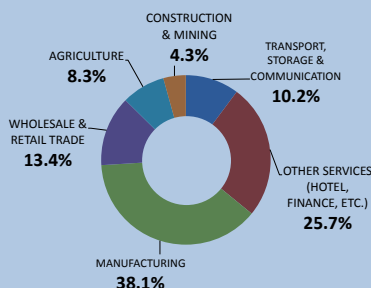
ABOUT THAILAND



Capital	Bangkok
Area	510.890 km ²
Distance East - West	780 km
Population	67 million

QUARTERLY UPDATE

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



Growth	1.0% (2014 Forecast)
Inflation rate	1.26% (November 2014)
Balance of Trade	+20.8 billion \$ (2014 Forecast)
FDI	5.77 billion \$ (2014)

QUARTERLY NEWS HIGHLIGHTS

January 27, 2015

ASEAN market integration to boost e-commerce market... [read more](#)

January 12, 2015

Eco-cars to boost Thailand's car manufacturing output... [read more](#)

February 5, 2015

IMF predicts Thailand recovery... [read more](#)

EABC NEWS

December 9

EABC Thai-European Social Night



EABC organized a networking event, Thai-European Social Night on "Escaping Middle Income Trap: Key Development on R&D and Infrastructure" with Deputy Secretary General Mr. Porameteetee Vimolsiri from the National Economic and Social Development Board as a key note speaker. There are 108 participants in this event. Our roles were to present a topic that attracts new members and adds value to the European business community in Thailand and to promote this event to EABC members and members of consortium's partners, Thai and European business in Thailand.

January 15

DanCham and EABC Beer Tasting Networking Night

Danish Thai Chamber of Commerce and EABC organized Beer Tasting Networking Night at Mikeller Bar in Sukhumvit Bangkok, to promote EABC visibility to its members and DanCham members and guests. [Read more](#)

January 22

ITCC and EABC "Breakfast Talk on EU-ASEAN Trade"

Irish-Thai Chamber of Commerce and EABC was jointly organized "Breakfast Talk on EU-ASEAN Trade, Guest speaker is Professor Frances Ruane, Director of the Economic and Social Research Institute (ESRI), to present on

- The challenges for building EU-ASEAN trade
- Developing international trade and investment – regional vs global approaches [Read more](#)



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

UPCOMING EVENTS



European Business Position Paper 2015 Launch

05 March, Bangkok



The European Business Position Paper 2015 is prepared by the EABC Advocacy Groups every year. The paper contained trade and investment issues from the 10 EABC Working Groups; with honorable participation of His Excellency Mr. Sommai Phasee, Minister of Finance of Thailand and His Excellency Ambassador Jesus Miguel Sanz, Head of Delegation of the European Union to Thailand. European Business Position Paper 2015 will be launched on March 5, 2015 [Read more](#)

IP Fair 2015

27 Feb- 1 Mar

The EABC in corporation with Department of Intellectual Property, Ministry of Commerce are organizing European Pavilion at the IP Fair 2015 taking place at Hall 5, IMPACT Muangthong Thani. [Read more](#)

Roadshow in Romania

March 16

The EABC and EIBN are hosting a joint event in Romania, to present potential business opportunities in Indonesia and Thailand for Romania's Business Community. Know more by sending us an [email here](#).





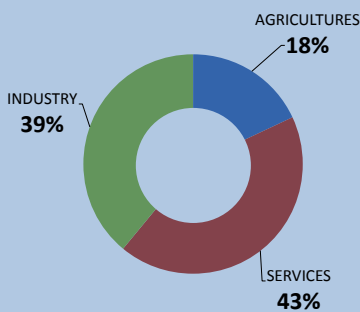
ABOUT VIETNAM



Capital	Hanoi
Largest city	Ho Chi Minh City
Area	332.210 km ²
Population	93 million

QUARTERLY UPDATE

Composition of Vietnam Economy 2014 (% of GDP per Sector)



GDP Growth	5.98% (2014)
Inflation rate	4% (2014)
FDI	\$ 20.23 billion (2014)
Trade volume	\$ 298.24 billion (2014)

QUARTERLY NEWS HIGHLIGHTS

February 16, 2015
Vietnamese consumer confidence "largely intact": Economist *Read more*

December 30, 2014
Social and economic situation in 2014 *Read more*

August 26, 2014
Vietnam projected to become world's 22nd largest economy by 2050: PwC *read more*

EVBN NEWS



January 19 – 25, 2015

AGROFOOD TRADE MISSION TO VIETNAM

The 1st European AgroFood Trade Mission to Vietnam was successfully organized and conducted by the EU-Vietnam Business Network (EVBN) from January 19th to 23rd 2015 in Hanoi and Ho Chi Minh City. EVBN was proud to welcome for this Mission 14 SMEs from 8 different European Member States (France, Portugal, Spain, Italy, Belgium, Estonia, Lithuania and Poland), and various branches of the Food and Beverages activity sector: wine and spirits, mineral water, meat and cold cut, frozen fruits purees and jams, biscuits and teas. The diversity of companies added to the success of the Mission.

Read more

December 2014

EVBN MARKET STUDIES

The EU-Vietnam Business Network (EVBN) will publish in-depth sectorial Market Studies to analyze the opportunities and challenges in different market segments. The studies will be made available to the EU SMEs in Europe as well as European Business in Vietnam.

Available market studies: Vietnam economy, Agrofood Report, Lifestyle Report. **Read more**

December 2014

ROADSHOW IN PORTUGAL

The EVBN conducted his first roadshow to Portugal on the 1st and 2nd of December. Mrs Delphine Rousselet, EVBN Project Director, and Mr. Afonso Vieira, Portuguese Honorary Consul to Vietnam, presented the Vietnamese market and its opportunities **Read more**



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

UPCOMING EVENTS

Lifestyle 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. **Read more**

Seminar in Luxembourg, CeBIT fair in Germany & Roadshow in Poland
 16 – 27 March, 2015

EVBN will organize a series of different events in Europe... **Read more**

Upcoming roadshows in Nordics and Baltics countries
 14 – 23 May, 2015

a joint roadshow is planned for the Nordic countries including the Baltic countries, Sweden and Finland... **Read more**

