

Looking outwards



ASEAN has ties with external partners which it aims to deepen while preserving ASEAN centrality. Businesses have benefited from ASEAN's strong connections within and outside the region. Singapore's focus in 2018 is to maintain the momentum in the ongoing discussions between ASEAN and its external partners, and to explore deeper economic relationships.

Canada

Economic engagement between both sides is guided by the Joint Declaration between ASEAN and Canada on Trade and Investment signed in 2011 covering cooperation in areas such as trade in goods, services and investment, amongst others. Officials are in the midst of discussing a Joint Feasibility Study to assess the possibility of an ASEAN-Canada FTA in the future.

FDI: US\$1b, Trade: US\$13.2b

United States

The US was ASEAN's third largest trading partner and fourth largest source of foreign direct investment in 2017. ASEAN and the US continue regular dialogues and engagements through a Trade and Investment Framework Arrangement and an Expanded Economic Engagement initiative, which seek to deepen cooperation in areas such as trade facilitation, SME development, and standards, amongst others. As coordinator for the ASEAN-US economic relationship in 2018, Singapore hopes to build on these engagements and strengthen cooperation in mutual areas of interest including the digital economy and SME development.

FDI: US\$5.4b, Trade: US\$233.1b

European Union

The EU continues to be ASEAN's largest source of investment. ASEAN and the EU are now implementing the 2017-2018 iteration of their Trade and Investment Work Programme (TIWP), which includes dialogues in the areas of Rules of Origin, e-Commerce, Trade Facilitation, and SME development, among others. Officials are now working towards a framework setting out the parameters of a future ASEAN-EU Free Trade Agreement.

FDI: US\$25.4b, Trade: US\$257.4b

Russia

Economic cooperation between ASEAN and Russia is undertaken primarily through the ASEAN-Russia Trade and Investment Work Programme, covering areas such as transportation, communication, tourism and energy. ASEAN and Russia are currently working to finalise a Memorandum of Understanding (MoU) between the Eurasian Economic Commission (EEC) and ASEAN on economic cooperation.

FDI: US\$44m, Trade: US\$16.7b

China

China has consistently ranked as ASEAN's largest trading partner. The ASEAN-China Free Trade Agreement (ACFTA), ASEAN's first external FTA, was realised in 2010. A protocol to upgrade the ACFTA was subsequently signed in 2015 which provides for deepening engagement in areas such as Goods and Investment. ASEAN and China are also strengthening cooperation in the area of innovation through a series of activities and initiatives under the ambit of "ASEAN-China Year of Innovation 2018".

FDI: US\$11.3b, Trade: US\$436.8b

Japan

ASEAN and Japan enjoy a strong trade and investment relationship, bolstered by the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) agreement signed in 2008. Officials are now working to finalise a protocol to amend the AJCEP, which will incorporate new chapters on services and investment into the agreement. In conjunction with the AEC Blueprint 2025, both sides revised the ASEAN-Japan 10-Year Strategic Economic Cooperation Roadmap in 2016 to cover newer areas such as innovation, transfer of technology, and to nurture new industries, which can better prepare ASEAN for the digital economy.

FDI: US\$13.2b, Trade: US\$217.9b

Hong Kong

ASEAN and Hong Kong, China (HKC) signed the ASEAN-HKC Free Trade Agreement (AHKFTA) and ASEAN-HKC Investment Agreement (AHKIA) in 2017, which is ASEAN's sixth and latest agreement with an external partner. Parties are now working towards the ratification and entry-into-force of both agreements.

FDI: US\$7.7b, Trade: US\$106.4b

South Korea

The ASEAN-ROK Free Trade Area (AKFTA) Agreement came into effect in 2010, which includes agreements in the areas of Goods, Services, and Investment. Both sides are engaged in discussions to further liberalise tariffs in sensitive products. The Third Protocol to Amend the ASEAN-ROK Trade in Goods Agreement (AKTIGA) is also pending ratification by all Parties, and when in force will introduce new provisions and commitments to ease the administrative burden on traders and reduce time-to-market.

FDI: US\$5.3b, Trade: US\$152.5b

RCEP

The Leaders of 16 countries (ASEAN + Australia, China, India, Japan, New Zealand, and South Korea) launched the negotiations for the Regional Comprehensive Economic Partnership (RCEP) in 2012. The RCEP represents 45% of the world's population and a third of the world's GDP. Parties are working intensively this year to bring the negotiations to a substantial conclusion.

India

The ASEAN-India Framework Agreement on Comprehensive Economic Cooperation was signed in 2003, which eventually developed into the ASEAN-India Free Trade Area (AIFTA) agreement. This includes the ASEAN-India Trade in Goods Agreement that came into force in 2010, and the ASEAN-India Trade in Services and Investment Agreements that entered into force in 2015.

FDI: US\$1.8b, Trade: US\$73.5b

Australia, New Zealand

An agreement to establish the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) was signed in 2009. Both sides are now developing recommendations parameters for a General Review of the AANZFTA with a view to improving the Agreement. In addition, ASEAN and Australia agreed this year to co-develop the Digital Trade Standards Cooperation Initiative (DTSCI), aimed at facilitating cooperation in developing, adopting and using international standards that promote digital trade and support inclusive growth.

FDI: US\$2.1b, Trade: US\$59b (Australia)
FDI: US\$326m, Trade: US\$9.5b (New Zealand)

GCC, PA, Mercosur

ASEAN also engages other external partners including the Gulf Cooperation Council (GCC), Mercosur, and the Pacific Alliance (PA), and are committed towards further strengthening economic cooperation.