

OVERVIEW OF ASEAN-EAEU ECONOMIC RELATIONS

Introduction

1. The first interface between ASEAN and the Eurasian Economic Commission (EEC)¹ took place at the 2nd AEM-Russia Consultations in August 2013 in Brunei Darussalam where the EEC presented the recent development of the Eurasian Economic Union (EAEU), which comprises Armenia, Belarus, Kazakhstan Kyrgyzstan, and Russia, and its interest in exploring economic cooperation with ASEAN. In 2014, ASEAN Senior Economic Officials Meeting (SEOM) agreed to include the discussion on progressing ASEAN-EAEU economic relations under the ASEAN Senior Economic Official Meeting and ASEAN Economic Ministerial Meeting with Russia (SEOM-Russia Consultation and AEM-Russia Consultation, respectively).

2. The ASEAN and EAEU relations reached a new height with the signing of the Memorandum of Understanding (MoU) between ASEAN and the EEC on 14 November 2018 in Singapore, at the sidelines of the 3rd ASEAN-Russia Summit. The MoU was signed by H.E. Dato Lim Jock Hoi, the Secretary-General of ASEAN and H.E. Tigran Sargasyan, the Chairman of the Board of the EEC. The MOU comprises of a total of nine articles which lay the groundwork for enhanced economic cooperation and development of new areas of cooperation (i.e. customs procedures and trade facilitation; sanitary and phytosanitary; technical regulations; e-commerce; trade in services and investment, business development primarily for MSMEs; and other areas to be mutually agreed upon by the participants).

3. To implement the MoU, the Programme of Cooperation (PoC) between ASEAN and EEC on Economic Cooperation was endorsed by the 8th AEM-Russia Consultations in September 2019. The 9th AEM-Russia Consultations in September 2020 endorsed the extension of the PoC until 2025. The PoC consists of 30 activities ranging from High-Level Dialogue, Business Community engagements, joint events at the platform of international organization, and consultation between experts and exchange of knowledge.

Trade and Investment

4. According to preliminary ASEAN statistics, merchandise trade between ASEAN and EAEU in 2022 reached USD 17.9 billion, a decrease of 16% year-on-year. The Foreign Direct Investment from EAEU to ASEAN increased significantly from USD 46 million in 2021 to USD 169 million in 2022, an increase of 261.5%. Top ASEAN exports to EAEU are animal or vegetable fats (HS 15), Electronic machinery or equipment parts (HS 85), nuclear reactors, boilers, machinery, and mechanical appliances parts (HS 84), Rubber (HS 40), and Coffee (HS 09). Conversely, top ASEAN imports from EAEU are mineral fuels and oil (HS 27), iron and steel (HS 72), fertilizers (HS 31), Natural cultured pearls, jewelry (HS 71), and fish and crustaceans (HS 03).

¹ **The Eurasian Economic Commission (EEC) is the permanent regulatory body of the Eurasian Economic Union (EAEU).** According to its website, the Commission has supranational regulatory body status and its activity is guided by the common interests of EAEU Member States (EMS). Decisions of the Commission are obligatory for execution within the territory of EMS. The Board of the Eurasian Economic Commission consists of 10 members (2 from each EMS – at the level of Minister), with the Chairman and members of the Board appointed for a term of 4 years by the Supreme Eurasian Economic Council – at the level of Heads of State – with a possible extension of term of office.

Joint Activities between ASEAN, EAEU, and EEC

5. The Seminar on Regional Economic Integration in ASEAN and EAEU was held on 9-10 December 2019 in Moscow, Russia which was attended by SEOM Leads and representatives from ASEAN Member States, representatives from EAEU countries, the Eurasian Economic Commission (EEC), and Eurasian Development Bank. The Seminar is the first activity participated by representatives from 10 ASEAN Member States (AMS) and 5 EAEU Members. During the Seminar, both sides agreed to, among others, (i) contribute to upgrade the EAEU and ASEAN's cooperation to the level of a dialogue or sectorial partnership, (ii) develop cooperation between the EAEU's and ASEAN's businesses for a range of joint projects in different economic sectors, (iii) contribute to the development of interaction between relevant divisions of the EEC, ASEAN Secretariat, and public authorities of the EAEU's and ASEAN's Member States, including in the form of bilateral contacts, (iv) develop engagement of the EEC's representatives into the ASEAN's consultations at the level of economic ministers and senior officials and (v) regularly hold joint sectorial events with the participation of the ASEAN Secretariat, the EEC, business councils and associations as well as representatives of public authorities and expert community of the EAEU's and ASEAN's Member States. The Seminar is a follow-up to the decision of the 6th AEM-Russia Consultation in September 2017 to increase familiarisation on how ASEAN and EAEU operate before deciding on whether to embark on a feasibility study of an ASEAN-EAEU Free Trade Agreement.

6. The seminar on "Digital Transformation in the EAEU and ASEAN", held on 1 March 2023 via videoconference, was attended by officials and relevant stakeholders from ASEAN and EAEU Member States. The Seminar discussed EAEU's digital agenda and its key digital projects, ASEAN digital economy priorities and initiatives, and cybersecurity cooperation and data governance policies in ASEAN and some ASEAN Member States. The second stage of the Seminar on Digital Transformation in the EAEU and ASEAN will be conducted in-person in the Philippines in 2024.

7. ASEAN representatives actively participated in the activities conducted by EEC at the sidelines of the Asia Pacific Forum on Sustainable Development, an annual event of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), namely a roundtable with the theme "International cooperation to achieve the SDGs during COVID-19 pandemic: current challenges and prospects" on 30 March 2022 and "Regional Decisions for Sustainable Development: the case of the EAEU and other structures" on 27 March 2023.

8. With the support of the United Nations Conference on Trade and Development (UNCTAD), representatives from the EEC and ASEAN participated in the 20th session of the Intergovernmental Group of Experts on Competition Law and Policy, 21 July 2022.

9. ASEAN and the ASEAN Secretariat have also actively participated in the ASEAN-EAEU Business Dialogues held at the sidelines of the Eastern Economic Forum in 2021 and the St. Petersburg International Economic Forum in 2022 and 2023 to promote business opportunities in both regions.
