

EU - Asia Relations Post-Brexit
The Asia - EU and UK Triangle: How will that
work?

EIAS Conference

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This event focused on the Brexit issue that the EU has been facing since 23 June 2016, and the future of EU-Asia relations, within the EU-Asia-UK triangular framework. This conference thanks to the speaker's bravura and sterling contributions tried to unravel and extricate a holistic overview of the intricate nature of Brexit and the relations between Brussels and London since the Brexit referendum. Secondly, the panellists attempted to provide insight and shed light upon the future of EU-Asia relations, given that the UK posits itself not only as a new stakeholder within this framework of relations, but also as a competitor.

Welcome and Introductory remarks by:

Ms Lin Goethals, Programme Director for Asia, European Institute for Asian Studies

After welcoming the guests, Ms Goethals began her speech by recapping the current state of affairs between Brussels, London and the rest of the World pertaining to Brexit. The negotiations are still ongoing between the EU and the UK, since 2016, when the Brexit referendum took place, and the outcome is still unknown. The first deadline of March 2019 has not been met, hence the EU mandated an extension for the talks until October 2019. Great Britain will take part in the European elections and Theresa May is trying to broker an agreement before the summer recess, but if there is no agreement she promised to step down from her role as Prime Minister. A recent poll published by *The Observer* shows that there has been a landslide in the UK political landscape which will probably trigger a similar landslide at the EU level. Regardless of the outcome of Brexit, EU relations with Asia will be deeply influenced.

Introductory Remarks on Brexit state of affairs:

Mr Bart Vodderie, Brexit Coordinator, Belgian Ministry of Foreign Affairs

Mr Vodderie opened his speech by stating that he has been following the Brexit issue even before the referendum itself. After a brief explanation of the agenda of his presentation regarding Brexit, Mr Vodderie embarked by explaining the "flexextension" granted by the EU Council to the UK, namely the aforementioned extension of the talks to broker an agreement for Brexit until the 31st of October. This "flexextension" could also have ended earlier on the 1st of June, with no deal, in case England did not accept to participate in the European Elections. The "flexextension" could also end on the first day of the month after the signing of a deal between the EU and the UK, if the agreement is bound to be brokered. There were four preconditions for the "flexextension" to be granted, *viz.* the participation in the EU elections, no renegotiation of the withdrawal agreement, no discussion of the future relations between the UK and the EU, given that the former has to become a third party first, and, lastly, the presence of sincere spirit of cooperation between the EU and the UK. Mr Vodderie then explained the first issue that the EU will have to face in case of Brexit, the positions occupied by UK officials in the EU will have to be filled as well as UK representatives in the EU Parliament and a new UK Commissioner will have to be appointed. Another worry is the Multi Annual Financial Framework from 2021 onwards, which has been devised to be applied to EU 27 countries, but the UK could still be a spoiler in this Framework. The issue of trade between the EU and other countries is next

addressed, given that every current negotiation with partners has been done in the EU at the presence of the UK, these negotiations have been difficult and awkward, states Mr Vodderie, given that England, probably later on, will broker bilateral agreements by itself with these same partners. If a Brexit with no deal is bound to happen on the 31st of October, the EU is ready, but has granted the extension also in order to give time to prepare to all the stakeholders involved in the process. Mr Vodderie then moves on to present a calendar with important dates for EU-UK relations, the 17th and 18th of October, during which the European Council will have to gather and decide what to do, then, if everything goes well, by the 1st of November there will be a new Commission accompanied by an orderly Brexit.

Pertaining to the topic of Brexit in Asia, Mr Vodderie reckons that a plethora of Asian countries have shown interest and concern toward it. This apprehension is due, for given the nature of the UK as gatekeeper of the EU single market for many of the Asian countries, the latter hence worry about their investments and the overall stability of the Union. Furthermore, the attractiveness of the UK market to Asia has seen a downslide, nonetheless, Mr Vodderie reminds that for Japan the UK is the main investment recipient in the EU and as far as China is concerned the UK is the first destination of investment worldwide.

Mr Vodderie concluded with a few key messages, *viz.* there will be no renegotiations, but the EU is bent to broker a flexible and deep partnership with the UK, which is defined by Mr Vodderie in the sense of a geographical allegiance.

Panel discussion with:

H.E. Mr Jaya Ratnam, Ambassador, Embassy of Singapore to the EU, the Kingdom of Belgium and Luxembourg

A panel of speakers joined the conversation to provide a more in-depth analysis on the main themes previously discussed. In order to have a more holistic perspective from the Asian side, H.E. Ambassador Ratnam after greeting the audience stated that, speaking strictly from a Singaporean side, the nature of Brexit will decide how the world will react to it. In fact, it is specifically the relationship that the EU and the UK will have after Brexit, therefore now it is very hard to speculate how consequential the changes will be that have happened within the EU for Asian countries. His Excellency reassures that the already existing relations between Singapore the UK and the EU respectively will be maintained. In fact, Singapore, which signed in February a Trade and an Investment Agreement with the EU, will keep trading with the latter based on WTO terms even in case of Brexit. Nonetheless, if a “hard” Brexit is to happen, Singapore hopes that there will be a

transitional agreement for the Singapore-EU agreements to remain in place in the form of Singapore-EU+1(UK). If no transitional agreement will be brokered, Singapore will be obliged to sign a bilateral agreement with the UK. H.E. then recognised that Singapore's situation will probably be similar to many Asian countries that have trade agreement with the EU. Hence, these countries are left to face a bound to happen Brexit, but uncertain whether this will be an orderly or a "hard" one is yet to be decided. Therefore, speculations and foresight measures are useful to envision future scenarios of EU-UK-Asia relations, although the state of these affairs will be completely unveiled when Brexit itself takes place.

Ms Shada Islam, Director of Europe & Geopolitics, Friends of Europe

The second speaker to join the discussion is Ms Shada Islam, who states that one should look at the bright side that Brexit is bringing forth. As such, Ms Islam states that one should try to reinvent ourselves, our interactions and relations. Although, Brexit has had and is still having negative impact, overall EU-Asia relations are entering a very important flourishing era, for example, the entrance of EU-Japan strategic partnership and FTA, the deepening and normalization of EU-China relations, the furthering of EU talks and interactions with ASEAN, and incremented closeness with India and the development of relationship with Australia and New Zealand on the trade front among others. Furthermore, Ms Islam states that this era has brought forth the idea of challenges-sharing through the promotion of a multilateral rules-based order, within which EU-Asia relations are invaluable for these exist, also to make sure that this kind of order doesn't fall into disarray and smithereens.

Within this EU-Asia relations momentum there are many other drivers, *viz.* "America First" Trump's policy which has disrupted EU relations with the U.S., Brexit is an important factor that has pushed for the deepening of EU-Asia relations, and lastly "rising China", which is challenging the EU in many ways bringing us to reinvent and rethink ourselves, our standing in the world and our interactions with it. Hence, where there is uncertainty there could also be opportunities, which can be used and modeled to the EU and its partners benefit.

Ms Islam reckons that even if the already mentioned issue of the UK as a gateway for the Common Market will be disrupted, she hopes that many Asian countries will develop and deepen their relations beyond England and stop relying on the British Commonwealth Office in order to further their causes, (*e.g.* strive to obtain a centralized system of preferences). Hence, Ms Islam advised Asian countries to diversify and notice that thanks to Brexit it has been made clear that Eu doesn't come down only to Great Britain.

Ms Islam concluded stating again that even though there are negative sides to Brexit there will always be opportunities. Nonetheless, these opportunities will be fraught with competition, even if EU-Asia relations have entered a new era and have been flourishing in the last few years, England, once a member, will pose itself as a competitor on this stage as much as the global one.

Ms Jean Lambert, Member of European Parliament, Chair Delegation for Delations with South Asian countries

The next speaker to join the discussion is Ms Lambert, who started by introducing her political background, the Green Party of England and Wales, and her stance towards Brexit, namely, no Brexit. Ms Lambert remarks that it is important to notice that within the UK political landscape many of those who voted for Brexit felt much more culturally connected to the United States, than to the EU. Furthermore, Ms Lambert reminds that one of the issues for UK's Brexit is that at the time, when the UK joined the European Union it was mainly out of economic interest, in fact London primarily wanted to get access to the Common Market and not the EU per se. Furthermore, given that England has an organic constitution that gives the Government the leeway to adapt to any circumstance and, also, given that UK's national identity is also strongly based on trade, nowadays, Free Trade Agreements in England are seen as liberating and hence, Brexit is the right way forward. In terms of what the UK is saying it wants to do it can be reckoned that it wants to strengthen its ties with a plethora of South Asian countries, although, this attitude is perceived by the latter as an attempt to reestablish the Commonwealth, hence viewing England's political stance with dismay and skepticism.

Dr Ra Mason, Sasakawa Lecturer, University of East Anglia

The last speaker is Dr Ra Mason, Professor at the University of East Anglia. After greeting the audience he stated that greater engagement between scholars and, students, policymakers, journalists and bureaucrats should be advisable, Dr Mason moves on stating that his presentation will concentrate on four areas, namely, Economics, Politics, Security and Society.

In terms of economics Mr Mason talked about the importance of the EPA between the EU and Japan, which brings together the first and the fourth largest markets in the World. This agreement covers over a quarter of the entire global economy and a third of the global trade. Furthermore, Japan first destination for investment has been the UK and around a sixth of the Japanese companies in the EU are companies based in the UK, hence a change in relations between the UK and the EU would have a huge impact of the bilateral UK-Japan and EU-Japan relations. The EU and Japan's Economic Partnership Agreement

(EPA) entered into force on 1 February 2019, bringing the relationship between the two to new heights. The situation, though, is not as simple as it could be envisioned, *e.g.* Japanese companies moving from the UK to the EU, which has happened for some specific cases, in fact, Japanese companies, pulling out or diminishing their activity in the UK is not simply about moving to continental Europe, because the EPA, makes the direct export from Japan to the EU market much more easier, hence making the Japanese companies more prone to relocate back to Japan, instead of the European Union. As such, Brexit is a headache for the UK, given the economic downslide the latter will probably face, but also for both Japan and the EU.

Moving to the political side of the discussion, the landscape becomes more complex. In fact, there are a lot of talks pertaining to the Abe Administration deciding to sign up to the ideals of the EU and sharing concepts of multilateralism, rules-based system and continuing order as it stands, which could be interpreted as a response to both Trump's "America First" policy and the rise of China. Hence, Dr Mason reckoned that there is this temptation to think that the current Japanese Administration is, somehow, very much in line with the way the EU political body about the political order and the political system we would like to see. Nonetheless, there is quite a large discrepancy between the EU as a political force and Japan, one must not underestimate the possible impact that the potential change in administration in the U.S. and the longstanding U.S.-Japan relationship, could have on the one between Japan and the EU.

Moving toward the security sphere, it is noteworthy, as Dr Mason stated, to remember that Japan's only official ally is the U.S. The EU on the other hand, even if not, an official ally, can be reckoned as the closest ally to Japan in the security sphere. Furthermore, within the EU the nation, the UK is closest to Tokyo regarding National Security issues. Japan and the UK have tied up the Defence Logistics Treaty, which allows movement of services and equipment within the military sphere. UK forces have been operating in the Far East, joint military exercises between British and Japanese forces have been frequent in the last couple of years. Japan has asked the UK to assist in the cyber security sphere in view of the upcoming Olympic Games. The EU is lagging behind in the security sphere, as far as the UK-Japan relations are taken into consideration. Brexit will have an enormous impact in this triangular EU-JAP-UK relationship. In fact, on the one hand, it could be problematic, on the other it could cause a schism between how Japan relates economically and security-wise with other partners, such as the UK and the EU, which in a way can already be seen within the U.S.-JAP-China relations, in which the former is the security provider and the latter is the main economic partner for Tokyo.

Eventually, pertaining to the societal and ideological spheres, Dr Mason reckoned that there will be, in terms of society, a huge amount of exchange between Japanese and

European academia, through various programs, *viz.* Erasmus Mundus, joint MA programs, specific research collaborations. On a more anecdotal level, as Dr Mason defined it, by looking at the right-centre leaning press in Japan one can feel a sentiment of sympathy or affinity between some sets of Japanese society and media with the one in Britain under various aspects, such as the colonial past, the will to engage with geographical neighbours and former colonies. Furthermore, there is this strong sentiment of comparability pertaining the similarity of the roles that the UK and Japan are playing in their own geopolitical and geostrategic landscapes, namely, Japan will to not be dominated by mainland Asia and UK's one to not abide by the rules and dictations of mainland Europe.

Q & A

A question and answer period followed the conversation by the panellists with several key themes of the night being discussed. The questions, advanced by many participants, covered a broad range of issues between Europe, the UK, the U.S., Russia and Asia: within China-EU relations, what role will U.S. pressure and disruptive approach to transatlantic relations have; what role will Russia have, should the EU cooperate with Moscow to gain a mediator-ally *vis-à-vis* Asia and balance the U.S. approach to transatlantic relations; what will be the future of Europe if there is no Brexit, and how will EU's relations with Asia will be influenced in case of no Brexit; will there still be freedom of movement for students between the EU and the UK and also Asian states; which field will be the ones in which EU and Asia will compete and which one will be the one in which they will cooperate, what role will the UK assume; prospects for other Eu countries that may want to leave the EU; prospects on Chinese companies willing to start activities in the UK or the EU.

Report written by Riccardo Villa

European Institute for Asian Studies – EIAS a.s.b.l.
26 Rue de la Loi, 10th Floor, 1040 Brussels/Belgium
Tel.: +32 2 230 81 22 E-mail: eias@eias.org Website: www.eias.org

 EiasBrussels

 European Institute for Asian Studies

 @EIASBrussels