

# The EU-China Economic Competition in Southeast Asia

## Paper Abstract

WANG Wenjia

PhD candidate Université catholique de Louvain  
Louvain-la-Neuve, Belgium.

Email : [wenjia.wang@student.uclouvain.be](mailto:wenjia.wang@student.uclouvain.be)

This article addresses trade and FDI relations between the ASEAN countries and both the EU and China since 1980. The value of trade between the EU and the ASEAN countries has grown substantially since 1978 when relations between the two groupings were formalized. Since 1978 when China initiated the open-door policy, bilateral trade between China and ASEAN has grown rapidly. First part of the article will present a quantitative and qualitative assessment of the evolution of trade, FDI and aid flows between ASEAN countries and both the EU and China. Two elements will be emphasized: the EU-ASEAN FTA and China-ASEAN FTA; and aid flow from the EU and ASEAN. Two sub-questions will be posed in FTAs analysis: (1) How has ASEAN-China FTA evolved in the EU-ASEAN trade relations? (2) What kind of FTA characteristics can be identified based on the differences of structure of industries in EU-ASEAN trade? Aid flow is a key element can't be ignored when analyze the competition between the EU and China in Southeast Asia. As the world's biggest aid donor, the EU intensified its relations with ASEAN and strengthened bilateral ties with the bloc's ten members through the negotiation and implementation of bilateral partnership and cooperation agreements (PCAs) and free trade agreements (FTAs). China's aid is quite different. It does not impose any political conditions, environmental requests or human rights protections on recipient countries. China use aid flows as a complementary approach of investment, and it will bring substantial benefits for expansion their firms throughout Southeast Asia. The second part will focus on answering two questions: (1) to what extent does China's rise influence the EU's external relations with the ASEAN countries? (2) How can it affect the capacity of China and the EU to shape the future global governance process?