

# **EU and ASEAN/ ASEAN+3: World Region Developments, FDI and Multinational Corporation Strategies**

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## **1 Historical Background**

Contact between the European Union (EU) and the ASEAN member countries or the EU and the ASEAN +3 (Japan, China, South Korea) member countries respectively can be seen under the aspect of increasing international cooperation. New political and economic structures have developed, through which new forms of cooperation between the two world regions have emerged.

Due to existing historical constellations the unification process in Europe began shortly after the Second World War and is characterized by intensive as well as political and economic rules. This is clearly expressed through the current form of the EU and its supporting institutions. This also includes the development of international contacts between the world regions. Altogether the European integration has been aligned politically, but the individual steps clearly proceeded follow-

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ing the economic characteristics of the harmonisation process (especially the customs union, the single market, the monetary union).

In the political area, the co-operation in the ASEAN region initially set in at a rather low level in 1967. The more intensive internal and external coordinations in this world region have only developed in course of the economic dynamism in East- and South-East-Asia since the 1980s. Here, the economic level evidently follows the political level which itself is only increasingly successful through a strong economic impulse. Comprehensive improvements in the area of cooperation between countries and ASEAN +3 are therefore planned for 2005.

Meanwhile it can be observed that in both centres an approach is being pursued which embraces the rest of the world and in which an extended cooperation with Japan, China and South Korea is sought within the ASEAN group. Depending on the perspective, a look on the world map shows two different possible perceptions: On the one hand there is the "Global View by Europeans" which Europeans are typically accustomed to and on the other hand there is the "Global View by East-Asian-Pacific people" that clearly shows a different perception (see Annex).

For a realistic examination it has to be considered that both economic areas have close contacts to the United States of America as the third and most dominant large area of world-economic trade which is also expressed institutionally. Therefore one speaks of the "Transatlantic Partnership" when Eastern and Western neighbouring states of the Atlantic are meant. In contrast to this, the pacific area with its East American as well as West East-Asian neighbouring states is emerging especially in the 21<sup>st</sup> century. The so-called APEC-group (Asia-Pacific-Economic Cooperation) currently counts 21 members and was founded in 1989 by the initiation of the then Australian and US-American presidents. There, the single countries are classified into the following groups: "Western Hemisphere", "North-East-Asia", "Oceania" and "Russia". The fact that in 2001 three-quarters trade-flow in this enormous economic area have been conducted within the individual APEC member states shows how strongly interwoven these countries already are.

The population of the APEC states amounts to about 2.4 billion people which is 40 percent of the world population. At the same time some of the states, namely the USA, Canada, Mexico and Russia are connected with the wider Atlantic area. In different respects it is useful to have a closer look at the pacific area as one unity. Especially here in the asian-oceanic countries the growth rates of the national product only moderately exceed those of the world economy but strongly outgrow those in Europe, especially in Germany. At the same time, the basis of this growth is naturally much higher than in most of the Asian APEC states. Over decades though, this development cannot be expected to continue without consequences for the worldeconomic distribution of power and general political structures.

In the Asian countries there is a strong orientation of political goals at the growth conditions in globalised market economies. To the same extent this is also applicable for the Oceanic and American countries. Only Japan, from 1993 to 2003, after decades of dynamics got itself into a structural period of weakness which was homemade and caused through reform blockage.