

David Cameron's recent visit to Southeast Asia highlighted the enormous potential for trade between the UK and the forthcoming ASEAN Economic Community (AEC). ASEAN Forum talks exclusively to Richard Graham, the UK PM's recently appointed trade envoy for the nascent economic trading bloc. BY MARK BIBBY JACKSON.

Making Potential Become Real

THE COMBINED GDP OF THE POTENTIAL EU-ASEAN Free Trade Agreement (FTA) contains more zeros than the Australian batting card at Trent Bridge. Twenty trillion dollars – that's 13 zeros – is the potential size of one of the biggest free trade deals ever negotiated.

The stakes are high enough to encourage the UK's Prime Minister David Cameron to make a four-day tour to Southeast Asia at the end of July. In so doing he became the first British premier to visit both Vietnam and the headquarters of ASEAN in Jakarta.

His message was clear, the FTA with the 10-member ASEAN needed to be speeded up.

"An EU-ASEAN trade deal would really turbo charge growth across the single market," Cameron said on the eve of his trip. "And I will be making the case in my discussions with Secretary-General Le Luong Minh. Alongside an EU-US trade agreement, such deals would be like a shot in the arm for Europe's economy. These deals really do remove barriers and costs for British businesses."

It's estimated that a deal between the two trading blocs could benefit the UK economy by £3 billion (\$4.6 billion) a year – nearly £120 (\$185) per household. "We can also open up more markets for British businesses by leveraging the power of the EU's single market with 500 million consumers to secure bold, ambitious trade deals with these fastest, growing economies," said Cameron.

However, despite signing an EU-Singapore trade deal, and agreeing one in principle with Vietnam, negotiations on the big deal are sluggish. England may have regained the Ashes, but here the EU is lagging behind Australia, who, together with New Zealand, signed an FTA with ASEAN in August 2014.

All this explains why Cameron made Southeast Asia his first trip outside of Europe

following his election success, taking with him Lord Maude, the former Cabinet Office minister, 30 businesspeople, and his recently appointed Trade Envoy for the ASEAN Economic Community (AEC), Richard Graham.

"The Prime Minister visited five cities in four countries in four days, with a huge amount of activity in each city that highlighted the variety of the UK's modern offering – including education, space, anti-extremism, infrastructure, fin tech, cyber, aerospace and insurance. About a billion pounds worth of deals were done and several MoUs signed in some countries," Graham told ASEAN Forum.

According to the MP for Gloucester, the trip

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was a great success beyond the balance sheet.

"I've no doubt that this visit has definitely resonated in ASEAN," he says. "The UK is a place they know and trust, and they appreciate a government which believes in taking that trust to new levels of practical partnership. That's the task for all of us."

Graham worked in Indonesia for Cathay Pacific in the 80s. His familiarity with both region and culture – he played squash for the Indonesian national team and speaks Bahasa Indonesian as well as Tagalog, Mandarin and Cantonese – made him an obvious appointment both for this role and that of Trade Envoy for Indonesia in 2012.

"The Prime Minister wanted to bring alive our interest by appointing a Trade Envoy to the AEC with experience in the region,

both in business and diplomacy/politics," he says. "My role involves helping UKTI analyse the opportunities, and any threats, the new economic community offers – with masses of input from business. Our experience of the creation of the Single Market in the EU is also relevant. And all of this will inform a dialogue I will build with the Secretary-General and his team."

Graham believes that there is much to be done especially in encouraging ASEAN to remove business impediments, "and in some cases to see the real advantages from opening up to foreign trade and investment".

He also feels that work is needed within the UK to stimulate businesses, particularly medium sized ones, to identify real opportunities in ASEAN.

"More direct flights, more trade missions, more seminars in the UK and more export finance – which is already available, a billion pounds right now and more if needed – will help," he says. "I think we can continue to use the GREAT Campaign for awareness of modern Britain's assets, and be cleverer in our targeting of where we have most to offer. And then we'll need lots of enthusiasm by UKTI and Trade Envoys, together with businesses who have already benefited."

Not that investment is a one-way flow from the UK to ASEAN. Graham highlights Malaysian investment in the transformation of Battersea Power Station in London as an example of how capital can move westwards as well as eastwards.

"So the UK and ASEAN have masses to offer each other – something this trip successfully highlighted," he says. "Now we have to work on making more examples of that potential become real." **AF**

