



## ASEAN: A PROMISING, YET LARGELY UNTAPPED MARKET FOR EU SPIRITS

**655.5 MILLION INHABITANTS**

### SHARE OF EU EXPORTS IN ASEAN MARKETS (export value 2021)

%



SINGAPORE \*



PHILIPPINES



MALAYSIA



VIETNAM



THAILAND



OTHERS (Laos, Cambodia, Indonesia, Brunei, Myanmar)

Source: Eurostat 2021



**“Expected to be the 4th largest economy in 2030”**

**\*The Singapore hub is the cornerstone of our supply chain model. We welcome the Commission's efforts to ensure that rules of origin allow for the use of the regional hubs that provide for economies of scale - while retaining the eligibility for the preferential tariff agreed in FTAs.**

**We urge the EU to:**

- 1. Restart & accelerate FTA negotiations with Indonesia, Malaysia, Thailand & the Philippines**
- 2. Intensify regulatory cooperation to address and prevent regulatory barriers**
- 3. Initiate a dialogue with ASEAN countries to fight illicit trade**

## EU SPIRITS PRIORITIES FOR FTA NEGOTIATIONS

### MALAYSIA

- Remove high tariffs & regulatory barriers
- Need to level the playing field with CPTPP competitors

### THAILAND

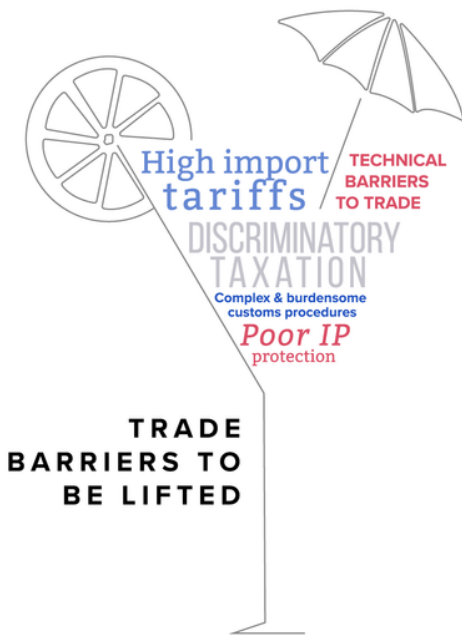
- Remove high tariffs on spirits (54%-60%)
- Improve regulatory environment

### THE PHILIPPINES

- Reinforce links with our 10th largest export market to seize untapped opportunities

### INDONESIA

- Address the very high tariffs on spirits (150%)
- Simplify complex import processes
- Remove tax discrimination



## REGULATORY COOPERATION TO ADDRESS & PREVENT REGULATORY BARRIERS

Regulatory cooperation is key to address existing trade barriers and prevent barriers from arising – with or without an FTA. When FTAs are being negotiated, wine & spirits annexes are a must to strengthen regulatory cooperation with ASEAN countries & support the removal of barriers.

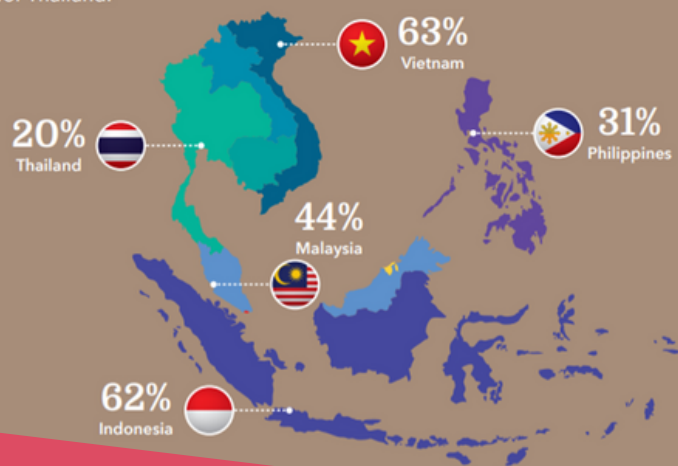
## ILLICIT TRADE: A JOINT CHALLENGE TO TACKLE TOGETHER

Illicit trade – which includes counterfeit products, smuggling, illicit artisanal & tax leakage – presents a triple threat to public health, economic development, and public budgets. It seriously hampers the realisation of the SDGs.

**Over €1 Billion**

in fiscal revenue is lost in the ASEAN region every year due to illicit alcohol

ASEAN is estimated to be the region with the highest consumption of unrecorded alcohol by 2025. According to WHO, in 2016, 63% of annual per capita alcohol consumption in Vietnam was unrecorded, 62% for Indonesia, 44% for Malaysia, 31% for Philippines, and 20% for Thailand.



11 Recommendations to tackle illicit trade in our ASEAN strategy

We call on the EU to initiate a dialogue with ASEAN countries to tackle illicit trade, focusing on its root causes, as well as on reinforcement of controls and penalties. Awareness raising, lowering of barriers for legitimate trade, greater IP protection and capacity building & exchange of best practices are all parts of the solution.