

ABSTRACT

In 2007, the European Union (EU) negotiated a bloc-to-bloc Free Trade Agreement (FTA) with the Association of Southeast Asian Nations (ASEAN), known as ASEAN-EU FTA. However, the negotiation broke off in 2009 only after seven rounds of negotiation due to the economy of each ASEAN members that are highly divergent. Shortly after the bloc-to-bloc negotiation stalled, the EU approaches individual Southeast Asian countries to negotiate bilateral FTAs. The EU claims that these FTAs will be the building blocks of an ASEAN-EU FTA if such negotiation is ever going to happen in the future. In the past 10 years, trade between the EU and Southeast Asian countries has grown significantly. Amidst the uncertainty in the wider world, especially given that China is challenging the post-World War II world order as well as spreading its far-reaching influence in Southeast Asia, the EU needs to balance and counter China's effort by securing trade ties through FTA with Southeast Asian countries in order to ensure its survival. This research employs qualitative methods with the support of data on trade volume between the EU and Southeast Asian countries, and also data on how China through its Belt and Road Initiative (BRI) affects EU export in the last decade. This research finds that indeed, China's BRI negatively affects EU export, which results in EU's need to secure trade ties with Southeast Asian countries through FTA.

Keywords: European Union, Southeast Asia, Free Trade Agreement, Commercial Realism