



The Future of ASEM Connectivity in the Wake of COVID-19

Plamen Tonchev

Pandemic-Induced Challenges to ASEM Connectivity (1)



- **Trade and investment**: decline in volume in 2020; shorter value chains, with “diversification” and “reshoring” as the new buzzwords; regionalisation/sub-regionalisation likely to become more pronounced.
- **Reconfiguration of transport modalities**: aviation’s crunch and shift to cargo; continued dominance of maritime connectivity, but growing importance of the Eurasian landmass (roads and railway tracks).
- **Slowing institutionalisation of economic relations?**
Question marks lingering over EU-China CAI/BIT, EU-India FTA, RCEP, etc.

Pandemic-Induced Challenges to ASEM Connectivity (2)



- **Bilateralisation of ASEM P2P exchange?** Pressure on EU and many national budgets for cultural exchange and R&D; debate on health cooperation, in conjunction with “vaccine nationalism”; local/regional tourism.
- **Weakening commitment to the climate agenda:** fiscal pressures; economic recovery an utmost priority; the EU’s Green Deal vs China’s CO2 peak in 2030 and India’s energy thirst, etc.
- **Geopolitics, the elephant in the room:** growing risk of seeing the ASEM space splintered into antagonistic spheres.

Why Waste the COVID-19 Crisis?



Not all the consequences are necessarily bad news

- **Expected dearth of financial resources**: an argument in favour of multilateralising ASEM physical connectivity, efficiency, economies of scale and cleaner infrastructure.
- **Unintended lockdown effects**: rediscovering the clean environment and the need for clean energy transition; higher levels of Internet-based communication; boost to distance learning and new forms of cooperation between educational institutions; host of new online services (in public administration, e-commerce, etc.)

Why Reinvent the Wheel? (1)



Making the most of existing ASEM tools and structures:

- Tangible Areas of Cooperation in the field of Connectivity (TACC);
- Common ASEM standards for sustainable connectivity, set out in the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure;
- ASEM Sustainable Connectivity Portal;
- ASEF Public Health Network (PHN);
- ASEM Rectors' Conference, set up by ASEF and the ASEAN University Network (AUN);

Why Reinvent the Wheel? (2)



- ASEM Education and Research Hub for Lifelong Learning (ASEM LLL Hub);
- ASEM Classroom Network;
- Multilateral banks, such as ADB, AIIB, EBRD, EIB, etc.

The importance of being earnest:

- Evidence-based policies;
- Closer ASEM-wide coordination.

Counterfactual Scenarios to Consider



The example of the “Cost of Non Europe” report:

1. The cost of non-connectivity or limited ASEM connectivity

2. The cost of unsustainable ASEM connectivity