

AHK AKTUELL 14/23

01 August 2023

#PartnerForTrade

The Philippines and the EU explore the relaunch of negotiations of a bilateral FTA

Trigger	<p>During a joint press conference with President of the Philippines Ferdinand Marcos in Manila, European Commission President Ursula von der Leyen announced on 31.07.2023 their intention to explore the relaunch of the negotiations of a free trade agreement (FTA) after six years.</p> <p>The partners will shortly begin the scoping process to assess to which extent they share a mutual understanding on an FTA. If this process concludes successfully, and after consultations with the Member States, the EU and the Philippines would be in the position to resume FTA negotiations.</p>
Trade relationship between EU and the Philippines	<p>The EU is the Philippines' fourth largest trading partner. Bilateral trade in goods was EUR 18.4 billion in 2022 whereas bilateral trade in services amounted EUR 4.7 billion in 2022. Additionally, the EU is one of the largest investors in the Philippines with foreign direct investment (FDI) worth EUR 13.7 billion in 2021.</p>
History	<p>Negotiations on an EU-Philippines Free Trade Agreement started in 2015. After two years, these were paused in 2017 because of diplomatic tensions due to the deadly drug war in the Philippines. On 30 June 2022, the new administration assumed office in the Philippines and has shown willingness to engage with the EU on key issues of importance.</p>
Generalised Scheme of Preferences Plus	<p>The Philippines currently enjoys a Generalised Scheme of Preferences Plus (GSP+) status that allows it to export 6,274 products to the European Union tariff-free (about 67 percent of all products), but this preferential status is set to expire at the end of 2023. This is why the Philippines continuously demonstrated their interest in resuming negotiations in the last months.</p>
Context in Asia	<p>If the negotiations are successful, the Philippines would be the third ASEAN country after Singapore and Vietnam to enter into a free trade agreement with the EU.</p> <p>In the past, the EU had also negotiated with Malaysia and the ASEAN federation. The negotiations have come to a standstill and have been paused or broken off.</p> <p>The EU is currently negotiating a comprehensive trade agreement only with Indonesia in the Southeast Asian region and will soon re-start negotiations with Thailand (most likely in September 2023).</p>
Benefit from free trade agreements	<p>If you have any questions about the usage of Free Trade Agreements in the Asia-Pacific region, you can contact Mrs. Annika Huck, Divisional Head for Trade Policies (Asia/ASEAN). E-Mail: annika.huck@sgc.org.sg</p>

Resources

[EU-the Philippines: free trade agreement \(europa.eu\)](https://europa.eu)

[EU, Philippines agree to relaunch free trade talks - Gulf Times \(gulf-times.com\)](https://gulf-times.com)

[EU, Philippines agree to relaunch free trade talks | The Straits Times](https://www.straitstimes.com)

[EU, Philippines Agree To Relaunch Free Trade Talks | Barron's \(barrons.com\)](https://www.barrons.com)

Disclaimer: All content was created with care and to the best of our knowledge. However, no guarantee can be given for the topicality, completeness and correctness.

Supported by:



Federal Ministry
for Economic Affairs
and Climate Action

on the basis of a decision
by the German Bundestag