Brimful of Asia Europe is losing out to the US in a key region of the world, says Victor Mallet.
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The two Indian entrepreneurs were cheerful but categorical when I met them in New Delhi and asked about their interest in business with Europe. “Zero!” they replied in unison. “India,” one of them explained, “links to the US better than Germany or Sweden.”

The "zero" was rhetorical - Indians and Europeans have plenty of dealings - but reflects Asia's disillusionment with Europe. Most Asians do not think of Europe at all. They think of the US.

At first glance, Europe's invisibility in Asia is puzzling. The colonial powers of Europe left behind democracy in India, baguettes in Vietnam, Spanish names in the Philippines, and grand buildings all over the continent. In China, Britain ran Hong Kong until 1997 and Portugal held Macao until 1999.

Asia and Europe are neighbours (Turkey straddles the two), whereas the US is separated from the bulk of Asia by the Pacific Ocean. Europe rivals the US as an investor and trader in Asian markets. East Asian and European Union leaders hold regular summits. There is even an Asia-
Europe Foundation based in Singapore. So why do Asians not care about Europe? And why do Europeans know so little about Asia?

One reason is that many prominent Asians were educated at US universities. Another is that Asians still rely on the US to keep the peace in their neighbourhood, while Europe has neither the will nor the ability to project power in Asia.

"I think above all it's because the US is still the principal security guarantor in East Asia," says Chris Patten. As the EU's external affairs commissioner and the final British governor of Hong Kong he has looked at the question from both east and west of the Bosphorus. "The US is of huge strategic significance."

Asians, furthermore, are frequently baffled by Europe's arcane, quasi-federal politics. "Europeans are very preoccupied with their great European project. They have not shown much interest in Asia or investing in Asia, and Asians are very pragmatic," says Manu Bhaskaran, a Singapore-based partner at Centennial, the strategic advisory firm. "The US is very relevant to Asia in many ways that Europe simply is not."

There is interest among more thoughtful Asian politicians about the structure and imminent enlargement of the EU, the performance of the euro as the single European currency, and the possible lessons for future co-operation between Asian countries. Earlier this year, Atal Behari Vajpayee, the Indian prime minister who is trying to make peace with Pakistan, held up Europe as an example. Europe, he said, was becoming the "world's most powerful economic grouping" after centuries of fratricidal wars.
Yet the relationship between Europe and Asia lacks passion and commitment. Last year, there were complaints when only three of Europe's foreign ministers turned up for a talking shop in Bali during the European summer holidays. European officials admit that Europe should do more to advertise itself, but say the Asians should share the blame.

"Asians say we're inward-looking," says one European ambassador based in Asia. "But if you turn the coin around, how interested are Asians, really, in Europe? In Singapore they talk about 'world-class', but what they mean is 'US standards'." He adds: "If you look at trade and investment, we are a superpower in Asia - but no one knows it."

Part of the problem is that neither Asia nor Europe is a coherent entity. European powers such as the UK, France and Germany pursue their own national interests - which is why Patricia Hewitt, the UK's trade and industry secretary, visited China in January, when she urged sleepy British businesses to jump on "the China bandwagon".

Many Asians take the same country-to-country approach. "Some links with Britain, Germany and France are strong," says Yeo Lay Hwee, a research fellow studying Asia-Europe ties at the Singapore Institute of International Affairs. "But in the general perception Europe is not united. We'd rather go bilateral."

Even bilateral ties are not as close as some would like. In the 1990s, France indulged in a wave of nostalgia for its former colonies in Indochina, spawning a series of films set in colonial times and a flood of tourists to Vietnam, Cambodia and Laos. But the feeling was rarely mutual. Cambodian medical students, whose education was being partially financed by the French, demonstrated in the streets of Phnom Penh, demanding to be taught in English rather than French.

More recently, the US-led war in Iraq and President Bush's unilateral approach to foreign affairs gave an opportunity for Asia and Europe jointly to champion multilateralism. But it did not happen. From south Asia to South Korea, governments in Asia still look to Washington for their security, while Europe is split in its attitude to Bush and has scant strategic power.

Asians and Europeans at least agree that Europe should be more involved in Asia. "I have the sense that the Asians are keen that we play a rather larger role," says Patten. "The difficult thing is to get Europe to recognise just how much it is wanted to play a more assertive role."

Europe today is a big investor and trader with Asia, but it remains an almost silent and curiously unassertive partner. While Asians and Americans within the Asia-Pacific Economic Co-operation forum are talking, albeit vaguely, of a free-trade "mega-region" of the future, Europeans risk being left behind as the Asian economy continues its headlong growth.

"Europe's main problem," says the ambassador, "is that we have not come to the conclusion that the world's economic centre is moving to Asia."

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