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South East Asia Strategy 2023–2026



Foreign Policy Strategy
2020–2023



South East Asia Strategy
2023–2026

This report was approved by the Federal Council on 15 February 2023. It is a geographical follow-up strategy to Switzerland's [Foreign Policy Strategy \(FPS\) 2020–2023](#). The adoption of the South East Asia Strategy 2023–2026 is one of the Federal Council's [annual objectives for 2022](#).

Foreword



In the summer of 2021, I had the opportunity to visit South East Asia. The trip was not all plain sailing as stringent COVID-19 restrictions were in place. Our delegation only had limited freedom to move around, and contact with the local population was also restricted.

Despite these circumstances, it was unmistakable that this is a region on the move. Government representatives were looking to the future confidently and optimistically. Determined entrepreneurs were seeking opportunities to harness new technologies, while modern cities were showcasing the improved living conditions of a growing middle class.

This dynamism also offers opportunities for Switzerland. South East Asia is growing in geopolitical significance and is becoming increasingly important as a global partner. Swiss economic actors can be a part of South East Asia's ascent and contribute to further development in the region. In so doing, we mustn't lose sight of the regional challenges, such as armed conflicts and climate change, the effects of which are becoming ever more obvious. Here, too, Switzerland can make a useful contribution.

Through this strategy, the Federal Council is taking account of the growing importance of South East Asia. In the period from 2023 to 2026, it seeks to deepen Switzerland's ties to this region. The strategy pools the strengths of the various foreign policy actors, thereby contributing to the coherence of Swiss foreign policy. I hope you enjoy reading the report.

Federal Councillor Ignazio Cassis
Head of the Federal Department
of Foreign Affairs

A handwritten signature in black ink, appearing to read 'Cassis', with a long horizontal flourish extending to the right.

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Summary

South East Asia is a dynamic growth region. The rise of the Asia-Pacific to become a preeminent centre of geopolitical power is also reflected in the eleven countries of the region, which together already constitute the world's fifth-largest economic area. Their increasing integration in global value chains is accompanied by rising living standards. At the same time, South East Asia faces growing risks: political and security tensions threaten global trade routes, and the impact of climate change is particularly marked in this region.

Swiss foreign policy takes account of the dynamism of South East Asia. In the period from 2023 to 2026, Switzerland wants to further consolidate and deepen its relations with the countries in the region with a view to future challenges. It will utilise the opportunities arising from South East Asia's ascent, and will help to manage regional risks. The desired deepening of ties with South East Asia also offers an opportunity to diversify Swiss interests in the Asia-Pacific.

This strategy sets out objectives and measures for the multi-lateral and bilateral dimension of Switzerland's South East Asia policy. It is guided by the thematic focus areas in Switzerland's Foreign Policy Strategy (FPS) 2020–2023, namely peace and security, prosperity, sustainability and digitalisation. It also takes account of the needs of Swiss citizens living in South East Asia.

The Association of Southeast Asian Nations (ASEAN) is the most important international organisation in the Asia-Pacific. As a Sectoral Dialogue Partner of ASEAN, Switzerland is keen to strengthen this relationship. Besides political exchange, this includes further developing technical cooperation between Switzerland and ASEAN on a broad range of topics (such as digitalisation, vocational education and training, disaster risk reduction, human rights and the environment).

This strategy also sets out how Switzerland intends to shape its relations with each state in the region. Through this country-specific approach, the Federal Council takes into account the differing development levels of the South East Asian states and the respective Swiss interests. The development cooperation programmes of the State Secretariat for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SDC) are an integral part of the bilateral relations with the countries concerned.

The South East Asia Strategy 2023–2026 is the result of a broad consultation process involving stakeholder groups from within and outside the Federal Administration. Implementation of the strategy will also take a partnership-based approach. All relevant national actors are invited to contribute to a coherent Swiss foreign policy with regard to the countries of South East Asia.

1 Introduction

This strategy concerns the eleven countries that are collectively referred to as 'South East Asia' (figure 1). This region is largely identical to the member states of the Association of Southeast Asian Nations (ASEAN). The only exception is

Timor-Leste. In 2022 ASEAN agreed in principle to admit as it as a member, and its accession process towards full membership is currently under way.



Figure 1: Geographical scope of the strategy (source: FDFA).

1.1 Why a South East Asia strategy?

The **focus of geopolitical power** is shifting eastwards. Over half the world's population now lives in the Asia-Pacific, and some 35% of global economic output is generated there (adjusted for purchasing power: 40%).¹ On a geopolitical level, too, the Asia-Pacific countries have increasing influence on the international stage. South East Asia is part of this development. Together, its eleven countries make up the world's fifth-largest economy. Their geographical location in the heart of the Asia-Pacific lends them additional relevance and puts them at the heart of the strategic competition between the People's Republic of China and the United States.

South East Asia is also **increasingly important** to Switzerland. Thanks to the dynamic development of South East Asian economies, there is growing potential for cooperation in the area of trade and investment. Harnessing this

potential will help to promote prosperity. South East Asia is also gaining in importance in terms of maintaining peace and security and promoting sustainable development.

Through strong **strategic relations** with the countries in the region, Switzerland can take account of the growing prominence of South East Asia. In so doing, it can also diversify its interests in the promising and complex Asia-Pacific. In this sense, the South East Asia Strategy complements the Federal Council's China Strategy, which was adopted in 2021.

The strategy provides a framework for the **coherent representation of Switzerland's interests** vis-à-vis South East Asia and is valid for the period from 2023 to 2026. On the basis of a contextual analysis (section 2), section 3 highlights Switzerland's overarching interests in the region. The strategy then sets out objectives and measures that will help safeguard these interests in the multilateral context (section 4) and bilateral context (section 5). In conclusion, the partnership-based approach that will be taken to implement the strategy is explained (section 6).

¹ International Monetary Fund (IMF), *World Economic Outlook* , October 2022.

1.2 A look back at relations with South East Asia

The **first contacts** between Switzerland and South East Asia date back to the 17th century, when the first Swiss merchants, missionaries and explorers visited the region. Important trading relations emerged in the 19th century, benefiting from the subsidiaries of Swiss trading companies that were set up there at the time. Several thousand Swiss citizens served as mercenaries in the Dutch colonial army in what is now Indonesia. The first Swiss consulate in Asia was opened in Manila in 1862. It was followed by representations in Batavia (1863; now Jakarta), Singapore (1917), Saigon (1926; now Ho Chi Minh City) and Bangkok (1932).

During and after the Second World War, Switzerland repeatedly provided **good offices** in South East Asia. For example, in its role as a protecting power, it represented the interests of the United Kingdom and the United States in Thailand. As host state of the 1954 Geneva Conference, it supported efforts to end the war and restore peace in Indochina, which led to the independence of Laos and Cambodia. Another peace conference was held in Geneva and Zurich from 1961 to 1962 in connection with the civil war in Laos. More recently (2018–21), Swiss citizen Christine Schraner Burgener served as the UN Special Envoy on Myanmar.

From the mid-20th century onwards, relations have **deepened gradually**. Switzerland first delivered humanitarian aid and technical support to the region in the 1960s. In 1976, a comprehensive programme for bilateral development cooperation was agreed with Indonesia. Other states also became priority countries for Switzerland's international cooperation: Vietnam (from 1991), Laos (from 2006), Cambodia (from 2012) and Myanmar (from 2013). Following the devastating tsunami in 2004, Switzerland provided comprehensive emergency aid and supported reconstruction in Indonesia and Thailand. From 1990 onwards, economic ties in particular saw very dynamic growth. In 2002, a free trade agreement was signed with Singapore within the EFTA framework. This was followed in 2016 by a free trade agreement with the Philippines, also within the EFTA framework. The EFTA Comprehensive Economic Partnership Agreement with Indonesia was signed in 2018 and came into effect in 2021 following a popular vote.

Dialogue and exchange between Switzerland and South East Asia have consistently also been fostered on a **personal level**. The sizeable communities abroad still form the basis of bilateral relations. The long-serving Thai King Bhumibol (Rama IX; 1927–2016) spent his childhood and adolescence in the canton of Vaud and maintained links to Switzerland his whole life. Physician Alexandre Yersin (1863–1943) from the

canton of Vaud, who discovered the bacterium responsible for the bubonic plague, worked for many years in Vietnam, where there is a museum dedicated to him. Basel-born activist Bruno Manser (1954–missing since 2000) worked to protect the tropical rainforest and the indigenous population living

in the Malaysian part of Borneo. Meanwhile, in Cambodia, Zurich-born paediatrician Beat Richner (1947–2018) established and managed five children’s hospitals that are still co-funded through a foundation he set up.

1.3 Coherence

This strategy is the fifth geographical follow-up strategy to Switzerland’s Foreign Policy Strategy 2020–2023. It is part of the **cascading strategy** of Swiss foreign policy, thereby contributing to coherent implementation of the Federal Council’s foreign policy priorities (figure 2). The South East Asia Strategy 2023–2026 concerns all departments of the Federal Administration. Together with the relevant thematic strategies, it serves as a basis for the operational implementation of Swiss foreign policy in South East Asia.

The [Federal Constitution](#), the relevant federal acts,² [Switzerland’s Foreign Policy Strategy 2020–2023](#) and its follow-up strategies, in particular [Switzerland’s International Cooperation Strategy 2021–2024](#) and the [Digital Foreign Policy Strategy 2021–2024](#), serve as the basis of the South East Asia Strategy. Other relevant Federal Council documents are the [Foreign Economic Policy Strategy](#) (2021) and the [International Strategy on Education, Research and Innovation](#) (2018).

At FDFA level, the [Guidelines on Human Rights 2021–2024](#) and the [Guidelines on Water 2022–2025](#) are of particular relevance. The [2028 Foreign Policy Vision \(AVIS\)](#) is an additional source of inspiration. In addition, the [2030 Agenda for Sustainable Development](#) provides an overarching frame of reference.

On the ground, Swiss foreign policy actors **work in concert**. Members of the FDFA and other departments work together under the aegis of Swiss representations to jointly implement this strategy. In doing so, Switzerland draws on the wide-ranging expertise of its diplomatic, consular, and international cooperation staff, employees of the Swiss Business Hub, SECO and SERI, the defence and police attachés, the human security advisers, the members of the Swiss Humanitarian Aid Unit (SHA) and staff at Switzerland Tourism.

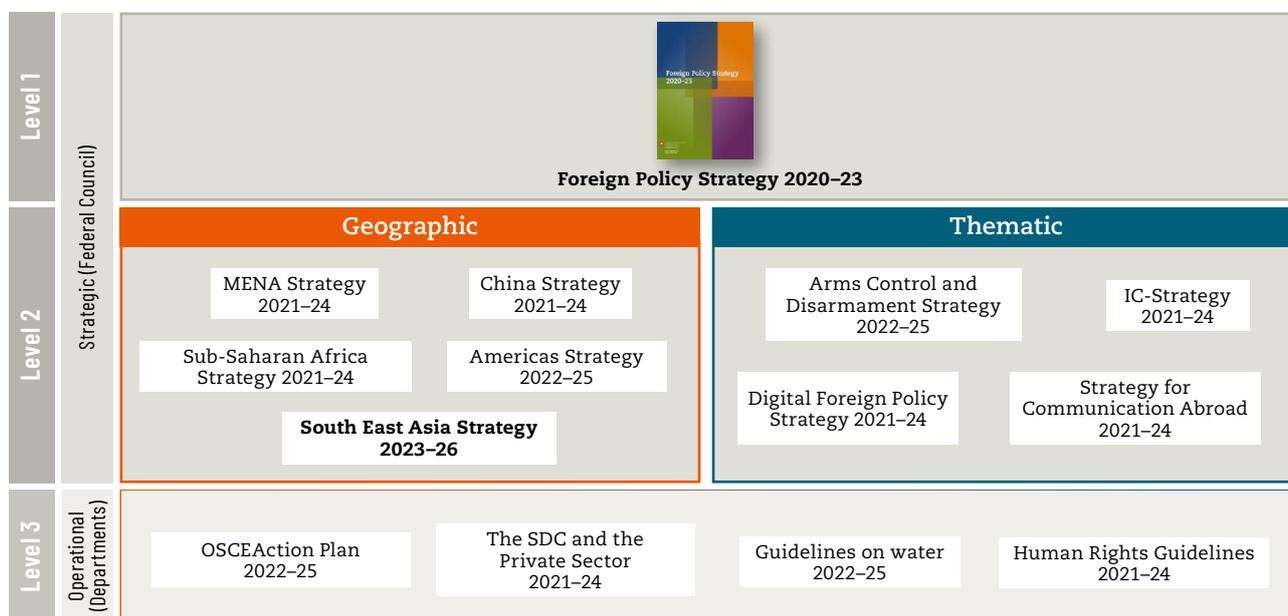


Figure 2: Foreign policy cascading strategy (source: FDFA – illustrative selection of documents).

² In particular: [Federal Act on International Development Cooperation and Humanitarian Aid](#); [Federal Act on Civilian Peacebuilding and Strengthening Human Rights](#).

2 Geopolitical overview

2.1 Global actors and regional integration

South East Asia is becoming the **focus of geopolitical interests**. On the one hand, this is down to its growing economic and demographic weight. The eleven countries together comprise a growth market of 680 million people, whose significant dynamism is set to continue in the years ahead. On the other, South East Asia is located at the heart of the Asia-Pacific, which is expected to be the most geopolitically important part of the world of the 21st century. Crucial shipping routes pass through the Asia-Pacific, linking the economic centres of Asia with the rest of the world. In view of the emerging system conflict between China and the United States, diverging notions of governance are converging with increasing clarity in South East Asia.

China considers the countries of South East Asia as part its traditional sphere of influence. It has close historical and cultural ties to the region. Owing to its location, it is reliant on land and maritime routes through South East Asia to ensure access to global markets. South East Asia is also crucial to China militarily. In its rise to becoming a major power, China has significantly expanded its influence in South East Asia. Today, it is the region's largest trading partner by far (figure 3). It enjoys close ties with Cambodia, Laos and Myanmar in particular, which receive diplomatic support as well as investment and aid. China also exerts increasing influence in the other countries of the region. On the one hand, its strategy here is based on earning goodwill – for example through the provision of COVID-19 vaccines. But it also adopts a confrontational style, as shown by the way in which it has been vigorously pursuing its territorial claims in the South China Sea.

A crucial element of China's foreign policy towards South East Asia is the **Belt and Road Initiative (BRI)**. The initiative was launched in 2013 and comprises numerous infrastructure projects in which China is involved in financing and construction. In South East Asia, the BRI also serves to better connect China with its southerly neighbours. Major BRI

projects can be found in all countries of the region, although they are not always specifically designated as such. Through the BRI, China is helping to cover the substantial demand for investment in South East Asia's infrastructure. At the same time, the initiative also brings the risk of over-indebtedness, particularly for smaller and financially weak recipient countries.

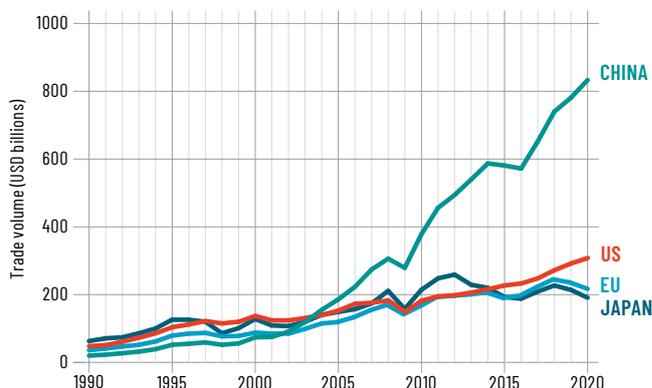


Figure 3: South East Asia's most important trading partners (source: [IWE](#)).

The **United States** is seeking to create a counterbalance to the growing influence of China. Through its 'Pivot to Asia' in 2011 it declared its strategic shift towards the Asia-Pacific. Its [Indo-Pacific Strategy](#), published in 2022, underscores the importance of the region to the United States' security and prosperity, with special attention paid to ASEAN as the cornerstone of the regional architecture. In economic affairs, the US has so far pursued its strategic aims only to a limited extent: In 2017, the country withdrew from the negotiations towards a Trans-Pacific Partnership (TPP). In 2022, it launched a new Indo-Pacific Economic Framework for Prosperity (IPEF), which unlike the TPP does not pursue any free trade-related goal. In security policy terms, however, the US is bolstering its activities in the region: As part of the vision for a free

and open Indo-Pacific, it is stepping up its presence in the South China Sea and conducting more joint military exercises and operations with the armed forces of ASEAN countries. In the Philippines, Singapore and Thailand, the US has long-standing security policy partners in South East Asia. The US was also the driving force behind the revival of the Quadrilateral Security Dialogue ('Quad') alongside Australia, India and Japan. A further example illustrating the United States' greater willingness to engage with the Asia-Pacific on security policy issues is its role as the backbone of the AUKUS alliance with Australia and the United Kingdom.

The **EU** is South East Asia's third-largest trading partner after the United States and China.³ It adopted a strategy on cooperation in the Indo-Pacific in 2021 ([EU Strategy for Cooperation in the Indo-Pacific](#)), which seeks to step up the EU's external relations with South East Asia. A key instrument to this end is the partnership between the EU and ASEAN that has existed since 1977. The efforts also include expanding the free trade network: corresponding agreements with Singapore and Vietnam entered into force in 2019 and 2020 respectively. Negotiations with Indonesia are under way, while talks with Malaysia, the Philippines and Thailand are currently suspended. The EU's long-term goal remains a bi-regional free trade agreement with the whole of ASEAN. In addition, the EU has launched the Global Gateway – its own initiative to promote investment in global infrastructure. To what extent the programme will also support projects in South East Asia remains to be seen.

Other global actors are increasingly turning their attention to South East Asia. **Japan** traditionally maintains close ties with South East Asian countries and despite the BRI is still the largest infrastructure investor in the region, ahead of China.⁴ As the top donor of official development assistance⁵ it also enjoys a high level of trust. **India** is also seeking to forge strategic relations with South East Asia as part of its 'Act East' policy. And **Australia** has increased the frequency of its high-level meetings with ASEAN and its members. Owing to the geographical location of South East Asia between Australia and the Asian continent, security interests also play a key role. Beyond the Asia-Pacific, the **United Kingdom** is seeking new global partnerships following its departure from the EU. It obtained ASEAN Dialogue Partner status in 2021 and is the only country outside of the Pacific region to be seeking accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Trans-Pacific Partnership's successor.

Russia is a major arms supplier to South East Asia, in particular to Myanmar and Vietnam.⁶ However, its overall significance as an economic partner is limited. Russia's military aggression against Ukraine has prompted a variety of reactions in South East Asia. While Singapore for example is the only country in the region to have imposed sanctions, Myanmar's military regime has thrown its full support behind Russia. Alongside these exceptions, the majority of South East Asian countries has held back from taking a strong stance. On the one hand, these countries do not want to compromise their relations with Russia, and by extension, with China. On the other, the use of force to assert territorial claims, as sanctioned by the United States, its allies and other Western states, is also unacceptable for South East Asian countries, particularly amid the tensions in the South China Sea (see section 2.2).

The war in Ukraine illustrates the **increasing balancing act** that the countries of South East Asia are forced to maintain in the face of the emerging strategic competition between China and the United States. South East Asian countries are increasingly under pressure to take a stance, but for the most part avoid doing so. They are beneficiaries of China's economic boom but at the same time appreciate the stabilising role of the United States as a guarantor of security in the region. The latter appears all the more necessary the more assertively China represents its security interests. Furthermore, reservations about overly close economic ties to China – for reasons including the resulting political dependencies – also justify a rebalancing of interests. Against this backdrop, the countries of South East Asia seek a rules-based order, in which no outside actor can utilise their weight to put the region at a disadvantage.

The **Association of Southeast Asian Nations** (ASEAN) plays a crucial role in promoting such an order. Indeed, the organisation's founding itself in 1967 was in response to the need to collectively counteract a threatened loss of sovereignty – at the time in the context of the Cold War. Today, ASEAN is the most important multilateral forum in the Asia-Pacific. Its overarching objective is to deepen regional cooperation for the purpose of promoting peace and stability, economic progress and social development. A key achievement is the advanced economic integration in the region. The far-reaching abolition of tariffs on trade within the bloc has contributed to the fact that the member states now do more trade with each other than with any other economic partner.⁷ In the long term, ASEAN seeks to establish a single market based on the EU model.

3 International Monetary Fund (IMF), [Direction of Trade Statistics](#), October 2022.

4 The Economist, [A glimpse into Japan's understated financial heft in South East Asia](#), August 2021.

5 Brookings Institution, [Development in Southeast Asia: Opportunities for donor collaboration](#), December 2020.

6 Stockholm International Peace Research Institute (SIPRI), [Arms Transfers Database](#), 2021.

7 ASEAN, [Trade in Goods](#), 2021.

Beyond its own integration, ASEAN sees itself as a **platform for the inclusion of other actors** in a broader regional cooperation. The ASEAN Outlook on the Indo-Pacific, adopted in 2019, fleshes out this ambition. In it, ASEAN assumes a leading role in the creation of a peaceful, rules-based order in the Asia-Pacific ('ASEAN centrality'). From the organisation's perspective, various ASEAN-centred dialogue platforms lend themselves to this cooperation. Besides the ASEAN+ formats, this also includes the annual East Asia Summit (EAS) and the ASEAN Regional Forum, which focuses on security issues (ARF; figure 4). Via bilateral dialogue platforms, including the Sectoral Dialogue Partnership with Switzerland (see section 4.1), ASEAN includes further actors in the regional architecture it has established.

Despite various challenges, ASEAN represents a **success story**. In a highly diverse region, it has succeeded in establishing a culture of dialogue and cooperation that is unrivalled on the Asian continent. Armed conflicts between the countries of South East Asia, as there were during the Cold War, are difficult to imagine today. In its work, ASEAN cultivates its own political style dubbed the 'ASEAN Way', where all decisions are unanimous and the organisation does not interfere in countries' domestic affairs. This safeguards the sovereignty and cultural characteristics of member states. At the same time, this approach limits ASEAN's role as a global actor because it makes the organisation prone to internal deadlocks, and it places limitations on the further integration.

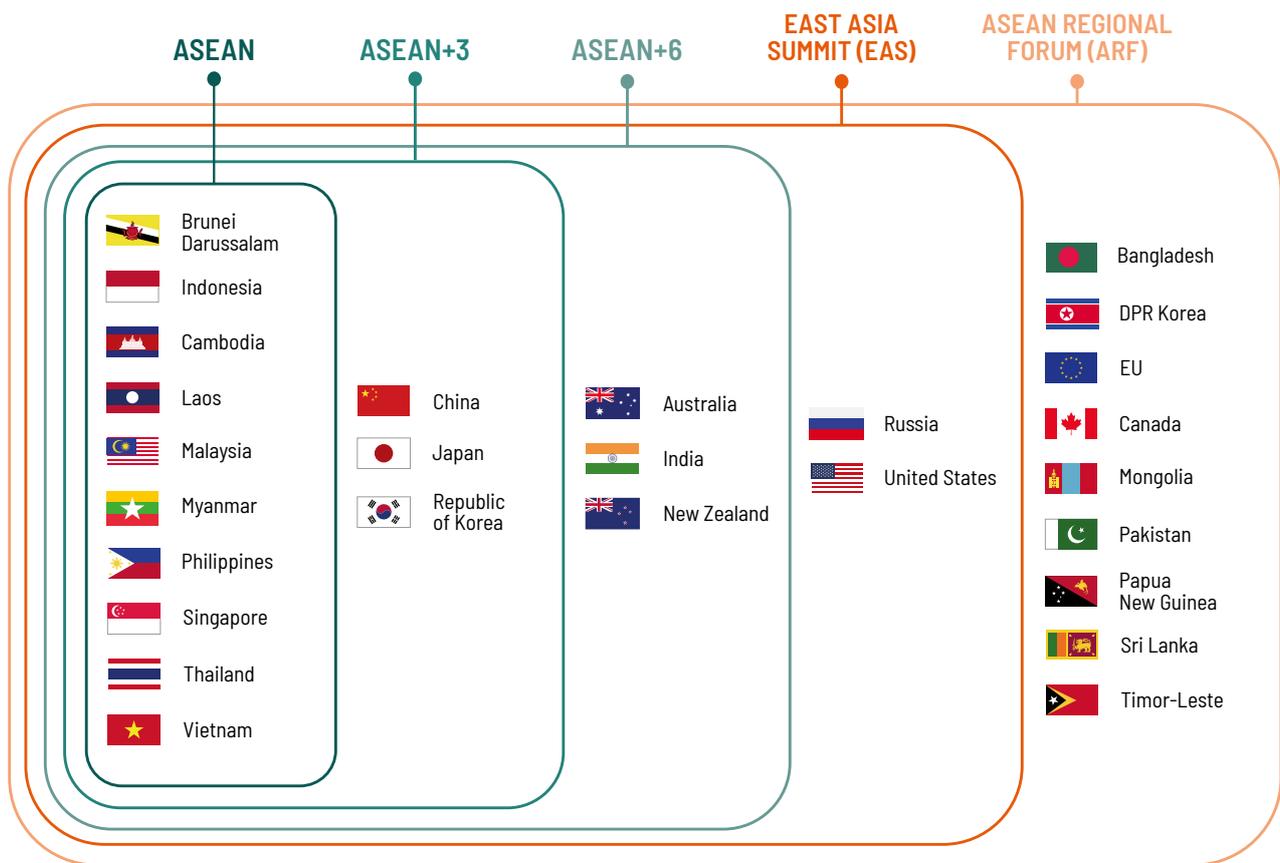


Figure 4: ASEAN-centred multilateral formats (source: FDFA).

2.2 Regional trends

Demographics

South East Asia is home to some **680 million people**, which is 9% of the world population.⁸ Current population growth is forecast to stabilise at around 800 million by 2060 (figure 5). South East Asia is therefore currently at an advanced stage of its demographic transition, shifting towards societies with low birth and death rates like those of highly developed industrialised countries. The proportion of the population who are of working age will be comparatively high over the coming decades. As a demographic dividend, this is likely to have a positive impact on economic development, assuming that future generations' education and training opportunities will enable them to participate productively in the labour market.

The population of South East Asia is characterised by its **cultural diversity**. This is partly for geographical reasons: the region is spread over more than 6,000 kilometres and comprises thousands of islands. And even from a historical perspective, there are only limited unifying factors. While virtually all South East Asian countries were affected by colonialism, it failed to leave behind a uniform cultural influence due to the many different colonial powers involved. With some 280 million Muslims, around 160 million Buddhists and approximately 150 million Christians, three world religions are represented in South East Asia with large religious communities.⁹ An array of other religions are also practised. And with over 1,200 languages used every day, linguistic diversity is high too.

South East Asia's diversity extends to the individual countries as well. There are a significant number of **ethnic minorities** living nearly everywhere. Besides indigenous population groups, there are also sizeable communities of immigrants from China and the Indian subcontinent. South East Asian countries constantly grapple with the challenging implications of this ethnic diversity, as it frequently causes political tensions. Armed conflicts in the region nearly always have a substantial ethnic element.

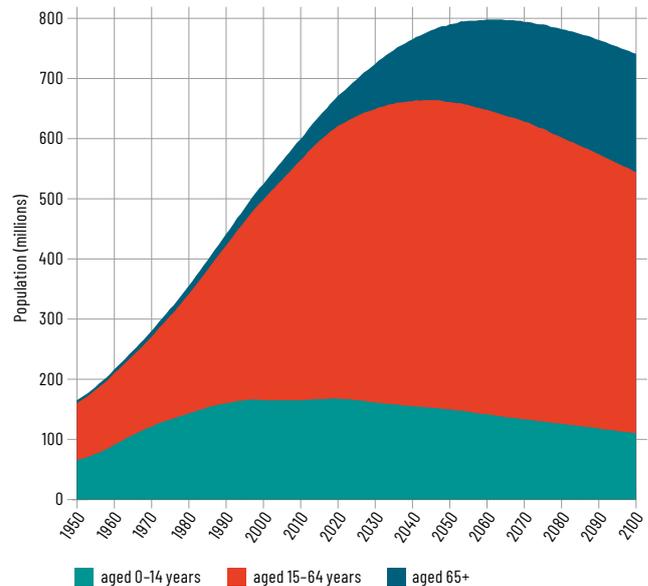


Figure 5: Demographic growth in South East Asia, 1950–2100
(Source: [UNDESA](#)).

⁸ United Nations Department of Economic and Social Affairs (UNDESA), [World Population Prospects](#), 2022.

⁹ CIA, [The World Factbook](#), 2022.

Economy

The ASEAN countries make up the **third-largest economic area in Asia** after China and Japan. With a cumulated gross domestic product (GDP) of USD 3.35 trillion (2021), they contribute 4% to global economic output.¹⁰ Since 2000 the region's real GDP has almost tripled, and high rates of economic growth are expected to continue (figure 6). If this trend continues in the longer term, the South East Asian economy could be around one-and-a-half times its current size by 2030.

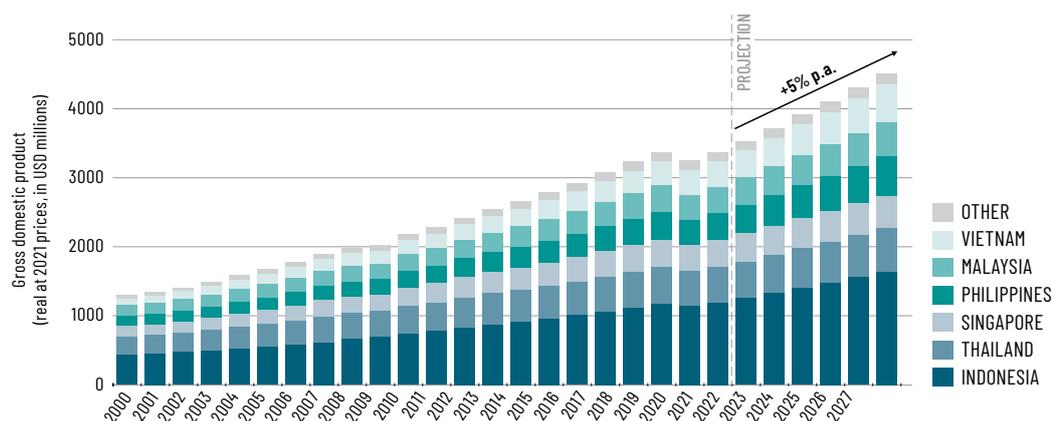


Figure 6: Economic output in South East Asia (source: [IWF World Economic Outlook](#)).

In the past two decades, a key motor of this dynamic growth has been increasing integration in **global value chains**. China, South East Asia's most important trading partner since 2004, has been a particularly strong driving force in this regard. Economic ties with Western industrialised nations have also increased, for reasons including the moderate wage costs in South East Asia compared with other emerging economies. In the next few years, the diversification of global supply chains – as triggered by the COVID-19 pandemic – could further increase the region's appeal as a production location. At the same time, the growing geopolitical competition between major powers, the volatile international environment and the lower growth forecasts for the Chinese economy also present significant risks for South East Asia. The extent to which the region will be able to fulfil its growth potential heavily depends on factors beyond its control.

The **removal of trade barriers** has facilitated integration in global markets. Within the framework of ASEAN, free trade agreements exist with China (since 2005), the Republic of Korea (2007), Japan (2008), India (2010), Australia and New Zealand (2010) and Hong Kong (2019). They supplement a range of bilateral agreements at country level. Since 2020, the ASEAN countries have also belonged to the Regional

Comprehensive Economic Partnership (RCEP). Together with China, Japan and other countries in the Asia-Pacific, RCEP forms the world's largest free trade area (some 30% of global GDP). Malaysia, Singapore and Vietnam are also members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Trans-Pacific Partnership's successor, which has facilitated trade and investment relations between various countries in the Pacific Rim since 2019. Brunei Darussalam has also signed the CPTPP but not yet ratified it.

The **dynamism of the domestic markets** is contributing to the positive economic development. The South East Asian middle class is growing rapidly and has increasing purchasing power. On top of this, digitalisation is an additional growth driver. The combination of growing consumer demand and a large, digitally adept population has made South East Asia a dynamic market for digital business models. Indonesia alone has over 200 million internet users and has produced an array of internationally successful technology companies.

Considering the region as a whole, the economic upswing has enabled a remarkable **reduction in poverty**. Between 2000 and 2020, the number of people having to survive on less than USD 1.90 a day (adjusted for purchasing power) declined by approximately 90% (figure 7). This went hand in hand with an improvement in living standards as access to education and healthcare was significantly expanded. Child

¹⁰ International Monetary Fund (IMF), [World Economic Outlook](#), October 2022.

mortality has halved since 2000,¹¹ while life expectancy has risen to the global average of 73 years.¹²

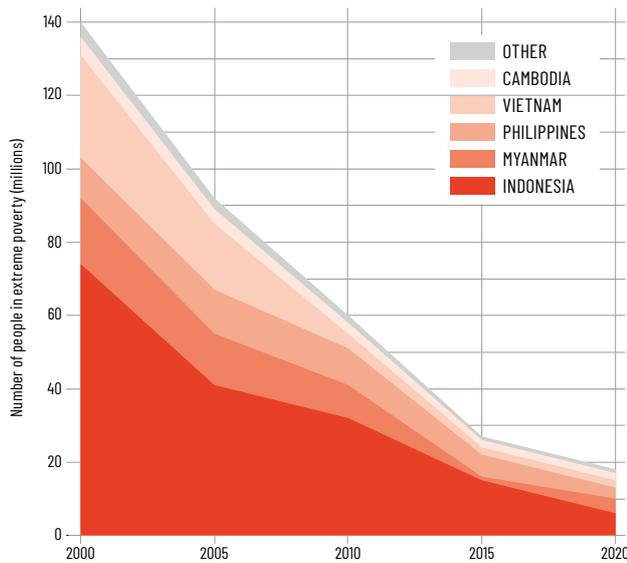


Figure 7: Extreme poverty in South East Asia (sources: [World Bank](#), [UNDP](#)).

Yet this trend is by no means the same everywhere in South East Asia. Though progress has been made, Cambodia, Laos, Myanmar and Timor-Leste in particular have not seen a comparable development in terms of tackling poverty. Overall, the picture emerges of a **marked prosperity gap** between the individual countries of South East Asia (figure 8).¹³ This is also reflected in the economic structure. While Singapore for example is a modern metropolis with a service-based economy, the majority of the population in Laos still

lives on subsistence farming. And within individual countries, too, there are some significant income gaps, with ethnic minorities disproportionately affected by poverty. Women are also economically disadvantaged as in some cases they are still well behind men in terms of levels of education and labour force participation.

South East Asia therefore continues to face significant **development challenges**. The COVID-19 pandemic showed that the progress made is fragile. Millions of people temporarily fell back into poverty, with the high level of employment in the informal sector causing greater uncertainty. In addition, the war in Ukraine has led to sometimes serious supply shortages. There are backlogs, especially in the education sector, where a digitalised economic environment places new demands on vocational skills. A major gap has also become apparent in infrastructure as congested roads, patchy energy supply and partially outdated communications infrastructure weigh on the economy and society. If these and other challenges are not tackled, South East Asia risks falling into the middle-income trap that some emerging economies get caught in. This trap refers to the stagnation that sets in when, after initially strong growth, an economy's production costs increase gradually and it loses its competitive edge in exports.

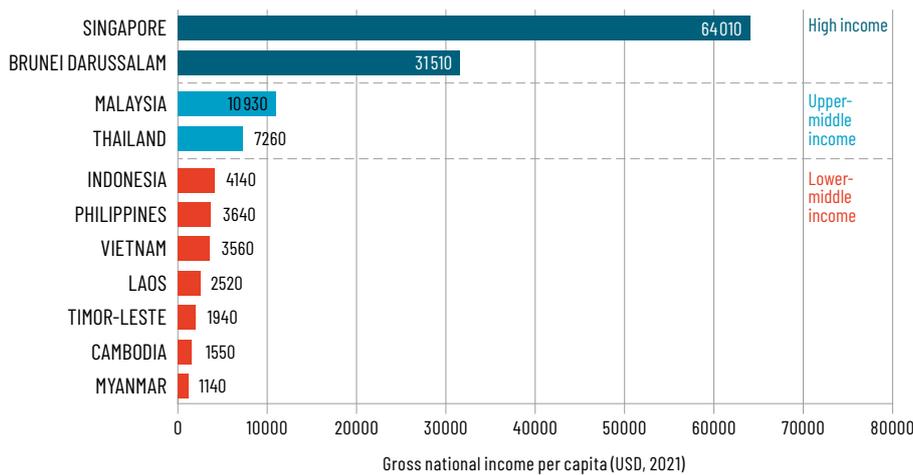


Figure 8: Income per capita and classification by income category (source: [World Bank](#)).

11 World Bank, [World Development Indicators](#) (Mortality rate, under-5), 2021.

12 World Bank, [World Development Indicators](#) (Life expectancy at birth), 2021.

13 World Bank, [World Development Indicators](#) (GNI per capita, Atlas method), 2021.

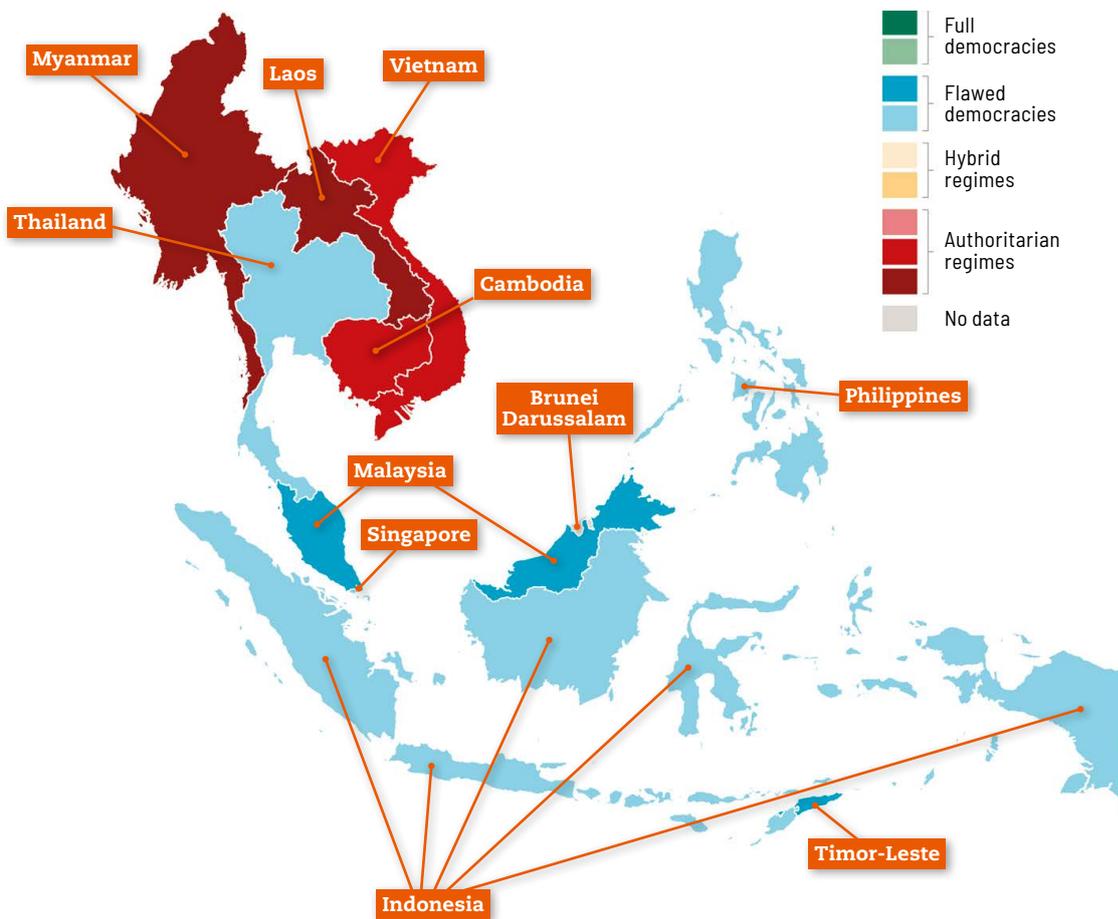


Figure 9: Forms of government in South East Asia (source: EIU, 2021).

Governance

A number of South East Asian countries have seen remarkable democratisation in recent decades. These include Indonesia, which since the end of its dictatorship in 1998 has evolved in a short time to become one of the world's largest democracies. Meanwhile, other countries remain autocratic. South East Asia therefore has a broad spectrum of **different forms of government** (figure 9). Democratic deficits range from restrictions on freedom of speech and assembly to violent repression of opposition. Authoritarian tendencies have also been observed in democratic countries in recent years.

This trend should be viewed against the backdrop of an **alternative development and governance model** shaped by China. This model prioritises stability and economic progress over democratic legitimacy. The difficulties of some Western democracies in overcoming internal blockades have added to the perceived appeal of this approach. The majority of today's political elites in South East Asia no longer view the democratic West as a model to emulate. The situation is different for some sections of the population, with street protests calling for more democracy, often led by young people, taking place in various countries in recent years.

The negative trend also applies to **human rights** in general. The space for civil society has been shrinking in recent years. In various countries, human rights defenders are persecuted, risk imprisonment or even have to fear for their lives. Members of ethnic and religious minorities are also discriminated against and persecuted in many places. Online and social media is increasingly being monitored and voices that criticise the government are punished, often under the pretext of combating fake news. Moreover, the majority of South East Asian countries have capital punishment. On top of this, there are numerous extrajudicial executions, primarily in the context of drugs policy in the Philippines or as part of the repression in Myanmar. On the other hand, the development in the area of corporate responsibility to respect human rights is encouraging, and various South East Asian countries have put in place measures to implement the relevant UN principles.

Security

South East Asia finds itself in a **challenging security environment**. China is modernising its armed forces, building its capacity to project power and asserting its security interests more and more forcefully. At the same time, the United States is strengthening its military presence in the Asia-Pacific, and deepening its alliances with regional partners. In this tense atmosphere, defining common positions on security issues is a challenge for the countries of South East Asia. The role of ASEAN and its members in the security architecture of the Asia-Pacific thus remains limited. Moreover, there is only a limited number of conflict management mechanisms or forums in South East Asia.

The mounting tensions are visible in particular in the **South China Sea**, where China's territorial claims clash with those of Brunei Darussalam, Indonesia, Malaysia, the Philippines and Vietnam. There are also cases of clashing territorial claims between countries within the South East Asian region (figure 10). By building artificial islands and establishing military facilities on the Paracel and Spratly islands, China has underscored its interpretation of territorial boundaries. Not swayed by this, an international arbitration tribunal in 2016 concluded that China's maritime claims that clash with those of the Philippines were incompatible with international law. Negotiations that began in 2002 on a code of conduct between ASEAN members and China intended to contribute to stability in the South China Sea are making only halting progress. Meanwhile, incidents regularly occur in the disputed maritime areas, usually between coastguard vessels and civilian fleets.

A number of **internal conflicts** are also shaping the security situation in South East Asia. The situation is particularly tense in Myanmar, where long-standing armed conflicts between government troops and various ethnic minorities flare up regularly. Since the military coup in 2021, conditions there have further deteriorated. In Indonesia (West Papua) and Thailand (southern provinces), other long-running conflicts of comparably lower intensity continue to simmer. There, separatism sometimes overlaps with Islamist-motivated violent extremism. A similar picture emerges in the Philippines (Bangsamoro), where the situation remains fragile despite the peace deal signed in 2014. In Cambodia, Laos, Myanmar, Thailand and Vietnam, suffering is also caused by the landmines and other explosives that contaminate some areas.

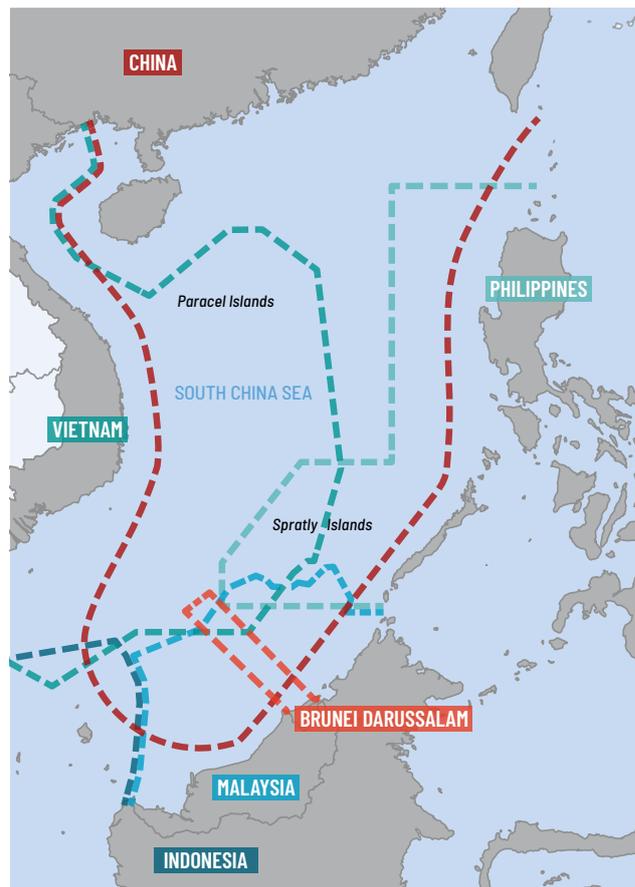


Figure 10: Territorial claims in the South China Sea (source: DDPS/FDFA).

Almost half of global cases of **piracy** between 2012 and 2020 took place in South East Asia.¹⁴ The Strait of Malacca, through which around one third of global trade passes, is particularly exposed to this threat. Thanks to enhanced patrols and improved protection of merchant vessels, there has been a decline in the number of piracy cases in recent years. However, the problem is likely to persist as long as a lack of economic prospects make piracy seem like a comparably lucrative business.

¹⁴ International Maritime Organization (IMO), [Reports on acts of piracy and armed robbery against ships](#), April 2021.

Environment

South East Asia is among the regions of the world most heavily affected by **climate change**. Some 100 million people live in coastal areas¹⁵ and are therefore particularly exposed to natural hazards caused or exacerbated by climate change. Tropical cyclones are already noticeably increasing in frequency and intensity. The projected rise in sea levels will require costly mitigation measures to prevent regular flooding of large populated areas. Increasing water scarcity makes agriculture difficult and affects food security, which in turn exacerbates social inequality.

Climate change exacerbates the well-known problem of South East Asia's high susceptibility to **natural disasters**. Owing to its location on the Pacific Ring of Fire, the region has always been beset by earthquakes, volcanic eruptions and tsunamis. The 2004 tsunami alone, which originated off the coast of the Indonesian island of Sumatra, claimed 230,000 lives. These tectonic risks are compounded by the climate change-induced increasing risk of extreme weather events. This will mean a further increase in the need for humanitarian aid. At the same time, measures to increase long-term resilience to natural disasters are becoming increasingly urgent.

Despite the impact, **climate change mitigation** is not a priority in South East Asia. CO₂ emissions continue to rise sharply. Taken together, the countries of South East Asia account for some 5% of global emissions, making them one of the world's largest emitters (figure 11). The main reason for this is the high proportion of fossil fuels in the energy mix.¹⁶ The expansion of coal power – by far the most important energy source for electricity generation in South East Asia – continues apace. According to forecasts, the capacity of South East Asian coal power plants could even double by 2035.¹⁷ Hydropower as an emission-free alternative presents its own risks as growing pressure on water resources due to climate change call into question its availability in the long term.

South East Asia has the world's third-largest area of tropical **rainforest** after the Amazon and Central Africa. Despite the fact that the rainforest is home to a high level of biodiversity and key in the global carbon cycle, deforestation activity there continues. This is primarily due to land clearing for agriculture, including for the production of palm oil. The greatest decline in forest stocks has been seen in Indonesia and Malaysia, which is where some three quarters of South East Asia's primary forest is located.¹⁸ Various protective measures have successfully slowed down deforestation in recent years. These include promoting sustainable agricultural production whose crops are grown on land already available.

Pressure on **water resources** is also increasing in South East Asia. The Mekong River, a vital source of water for millions of people in Cambodia, Laos, Myanmar, Thailand and Vietnam, is increasingly seeing fluctuating levels. This leads to drinking water shortages, declining fish stocks, agricultural droughts and contamination of the river delta with seawater. Besides changed precipitation patterns due to climate change, the construction of numerous dams in the upper Chinese part of the river is partly responsible for this.

Furthermore, a substantial share of **marine pollution** occurs in South East Asia. It is estimated that more than half of the waste that ends up in the world's seas comes from the region.¹⁹ This is partly due to South East Asia's role as the largest import market in the global plastic waste trade. Insufficient recycling capacity and inappropriately designed landfill sites lead to some of this waste being dumped into the sea.

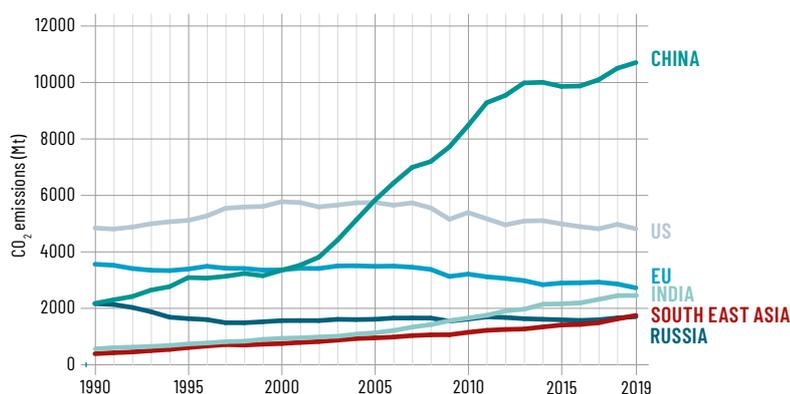


Figure 11: CO₂ emissions: a global comparison (source: [World Bank](#) ²⁰).

15 Socio-economic Data and Applications Center (SEDAC), [National aggregates of geospatial data collection](#) ²¹, 2022.

16 International Energy Agency (IEA), [Countries and regions](#) ²², 2020.

17 ASEAN, [The 6th ASEAN Energy Outlook](#) ²³ (Installed capacity by fuel, Baseline scenario), November 2020.

18 Global Forest Watch, [Primary forest](#) ²⁴, 2021.

19 Lourens Meijer et al., [More than 1,000 rivers account for 80% of global riverine plastic emissions into the ocean](#) ²⁵, Science Advances, April 2021.

Migration

In South East Asia migration is primarily an economic factor. Some 20 million **migrant workers**²⁰ support their South East Asian home countries with remittances worth 3% of economic output.²¹ This is many times higher than the development aid flowing into the region. In the Philippines, whose diaspora is one of the world's largest, migrant remittances make up 10% of GDP. A dark side of labour migration is the sometimes inhumane working and living conditions in host countries. Forced labour and human trafficking are still a reality, benefitting from the high proportion of irregular migration.

There are an additional 1.5 million **politically displaced people** from South East Asia living in other countries,²² the vast majority of whom are from Myanmar, where many years of armed conflicts and ethnic violence have forced and continue to force people to flee. Just under a million members of the Muslim Rohingya minority have been living in sometimes precarious conditions in neighbouring Bangladesh since 2017. The world's largest refugee camp has sprung up close to the Bangladeshi town of Cox's Bazar. Around 900,000 more people from Myanmar are internally displaced; some of them have been for decades. The military coup in 2021 and the ensuing violence have led to further migration flows.

Fleeing the **impact of climate change** is gaining in importance as a reason for migration, including in South East Asia. Every year, several million people temporarily leave their homes to seek shelter from natural disasters.²³ The Philippines is the country worst affected owing to the frequent typhoons it is exposed to. Disaster-driven forced displacement is also taking place on a large scale in Indonesia and Myanmar. As climate change continues to advance, permanent migration flows are also expected, as populated areas become uninhabitable in the long term due to extreme weather events.

20 United Nations Department of Economic and Social Affairs (UNDESA), [International migrant stock, 2020](#), 2021.

21 World Bank, [World Development Indicators](#) (Personal remittances received), 2021.

22 United Nations High Commissioner for Refugees (UNHCR), [Refugee data finder](#), 2021.

23 Center for Strategic and International Studies (CSIS), [Southeast Asia's coming climate crisis](#), May 2022.

3 Switzerland's interests

Switzerland's foreign policy takes account of the changing geopolitical landscape. It recognises the shift in the global power balance towards the Asia-Pacific, and the role of South East Asia in that development. In the period from 2023 to 2026, Switzerland is therefore keen to further consolidate and deepen its relations with South East Asia with a particular focus on **future challenges**. This will help to diversify Switzerland's foreign policy. Switzerland will take advantage of the opportunities arising from the boom in the Asia-Pacific while avoiding a unidirectional focus on individual players in this part of the world.

Switzerland enjoys an **excellent reputation** in South East Asia thanks to its innovative capability, its competitiveness, its development and humanitarian work, and its reliability as an

international actor. On this basis, a deepening of relations is also in the interests of the countries of South East Asia. Amid the growing influence of China and the United States, South East Asia is keen to maintain its independence and expand its leeway in foreign policy. This could entail increased interest in cooperating with countries like Switzerland that want to position themselves independently in an environment characterised by geopolitical tensions and rivalries.

Switzerland's foreign policy in South East Asia is based on the interests and values set out in the Federal Constitution. In addition, the FPS 2020–2023 defines **four thematic focus areas**, which also guide this strategy: peace and security, prosperity, sustainability, and digitalisation.

3.1 Peace and security

Despite the geographical distance, peace and security in South East Asia is also in Switzerland's interest. A **stable security situation** is the foundation of a life without need and of economic and social development in the region. A potential conflict along key shipping routes, for example in the South China Sea, would also have a significant impact on global supply chains, causing shortages in Switzerland. Swiss foreign policy uses the tools at its disposal to prevent, help de-escalate, and resolve armed conflicts in South East Asia. This includes good offices efforts, the provision of humanitarian aid, the promotion of respect for international humanitarian law, and assistance in dealing with the past. The promotion of democracy, the rule of law and good governance also contribute to peaceful development.

Human rights are a key priority in South East Asia. As part of its human rights diplomacy, Switzerland advocates for freedom of expression, the abolition of the death penalty, the prevention of torture and the protection of ethnic and religious minorities. Besides high-level discussions, the representations abroad also play a key role. They regularly address human rights with their host states, work with the

local civil society actors, and assist state authorities with internal reforms. Switzerland also advocates respect for human rights in the region at multilateral level, such as at the UN Human Rights Council.

The vast majority of South East Asian countries share Switzerland's interest in compliance with international law and effective multilateral organisations. They are therefore natural partners for initiatives to **strengthen multilateralism**. Switzerland's membership of the UN Security Council in 2023–24 offers an opportunity to enhance cooperation in this area. In addition, Switzerland will continue to play a part in strengthening ASEAN, as part of its Sectoral Dialogue Partnership with this regional organisation (see section 4.1).

3.2 Prosperity

South East Asia's **economic significance** to Switzerland is steadily increasing. Trade volume with countries in the region has multiplied in recent decades (figure 12).²⁴ South East Asia now accounts for 4% of Swiss foreign trade versus 2% in 2000. A similar picture emerges regarding direct investment, with Singapore standing out as a destination country (figure 13). Around a third of Swiss capital stocks in Asia are invested in South East Asia.



Figure 12: Bilateral trade with South East Asia (excluding precious metals, precious stones and gems; source: [FOCBS](#)).

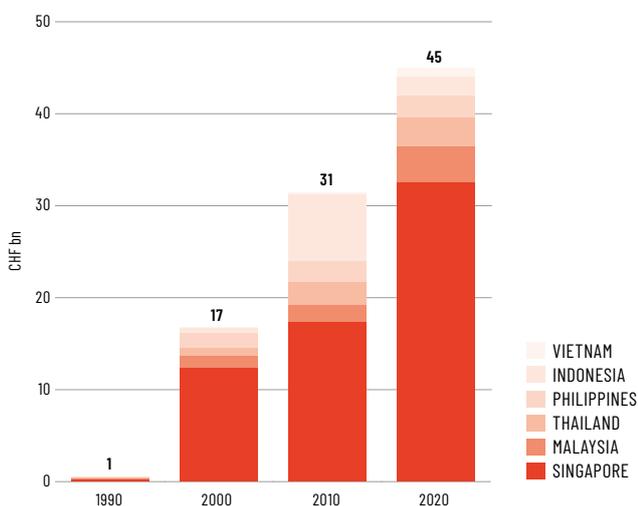


Figure 13: Volume of Swiss direct investment in South East Asia (most important countries; source: [SNB](#)).

In order to continue to tap into this growing economic potential, Swiss businesses are reliant on **favourable framework conditions**. Switzerland therefore seeks to further improve market access by means of free trade agreements. In addition to existing agreements with Indonesia, the Philippines and Singapore, it is working with EFTA partners on agreements with Malaysia, Thailand and Vietnam (figure 14). The Swiss embassies, the embassy-embedded Swiss Business Hubs, and the chambers of commerce champion Swiss economic interests on the ground, and coordination between the various commercial diplomacy and export promotion actors is being further strengthened in line with the 'Team Switzerland' approach. A priority for export promotion in the coming years will be to facilitate Swiss companies' access to infrastructure projects, given South East Asia's significant backlog in infrastructure development.

Switzerland works to help improve **economic and social prospects** in South East Asia's least developed countries (figure 15). Cambodia, Laos and Myanmar are all priority countries of the Swiss Agency for Development and Cooperation (SDC).²⁵ A key objective of the corresponding cooperation programmes is the creation of resilient and inclusive economies, for example through improved vocational skills development and through the integration of disadvantaged population groups. In Indonesia and Vietnam, which are both priority countries of SECO's economic development cooperation, the focus of Swiss engagement is on strengthening the private sector.²⁶ This involves promoting a favourable framework for private investment, supporting the diversification of value chains, and helping to improve the competitiveness of SMEs. Development cooperation at the multilateral level supplements the bilateral cooperation programmes.

Switzerland also works to establish conditions favourable to achieving closer collaboration with actors in the areas of **education, research and innovation**. In coordination with the Swiss research community, the Swiss government cultivates existing academic ties and promotes partnerships between universities in Switzerland and South East Asia.

²⁴ Federal Office for Customs and Border Security (FOCBS), [Swiss-Impex](#), 2021.

²⁵ Current programmes: [Cooperation Programme in Myanmar 2019–2023](#); [Cooperation Programme in the Mekong Region 2022–2025](#) (concerning Cambodia and Laos).

²⁶ Current programmes: [Indonesia Cooperation Programme 2021–2024](#); [SECO Cooperation Programme Vietnam 2021–2024](#).

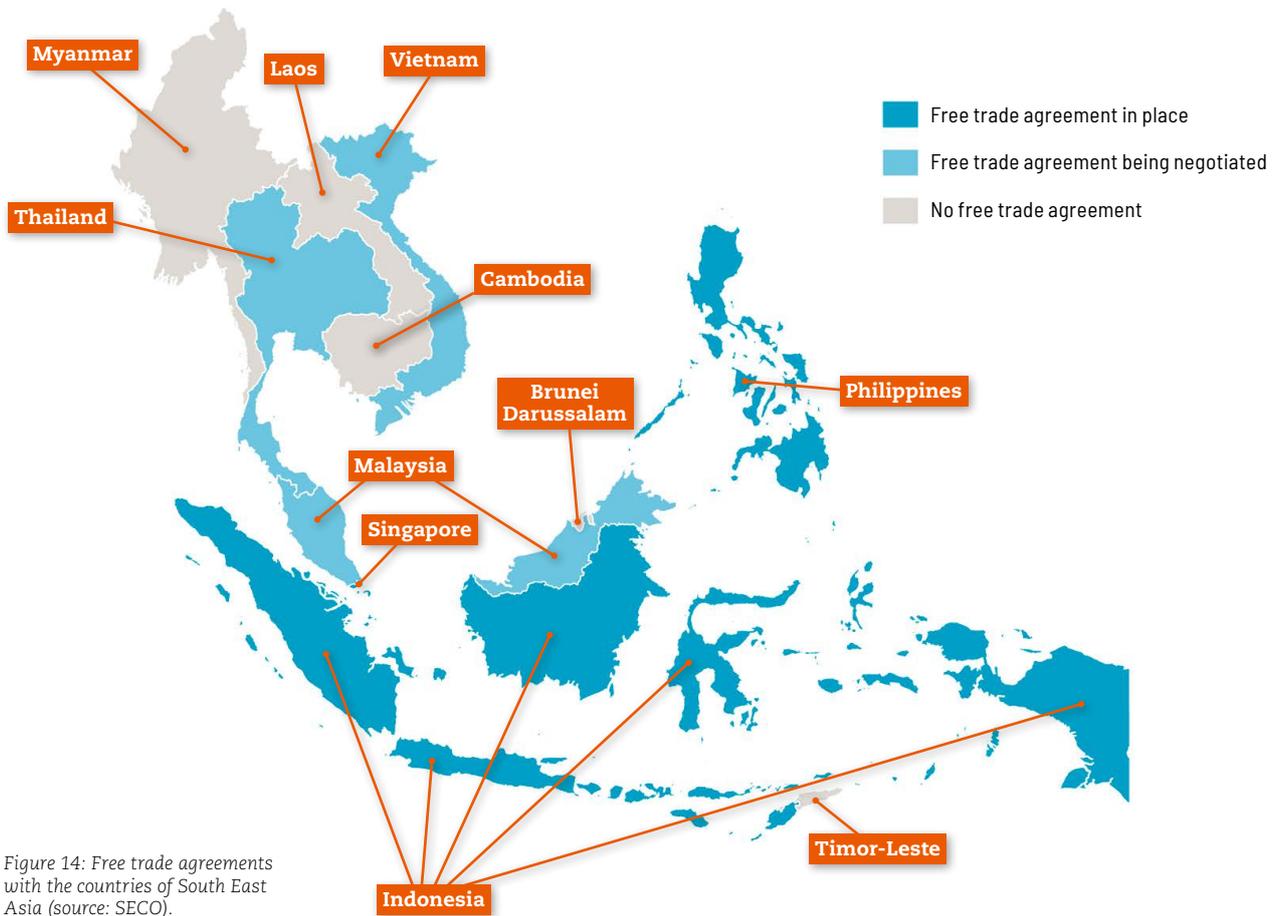


Figure 14: Free trade agreements with the countries of South East Asia (source: SECO).

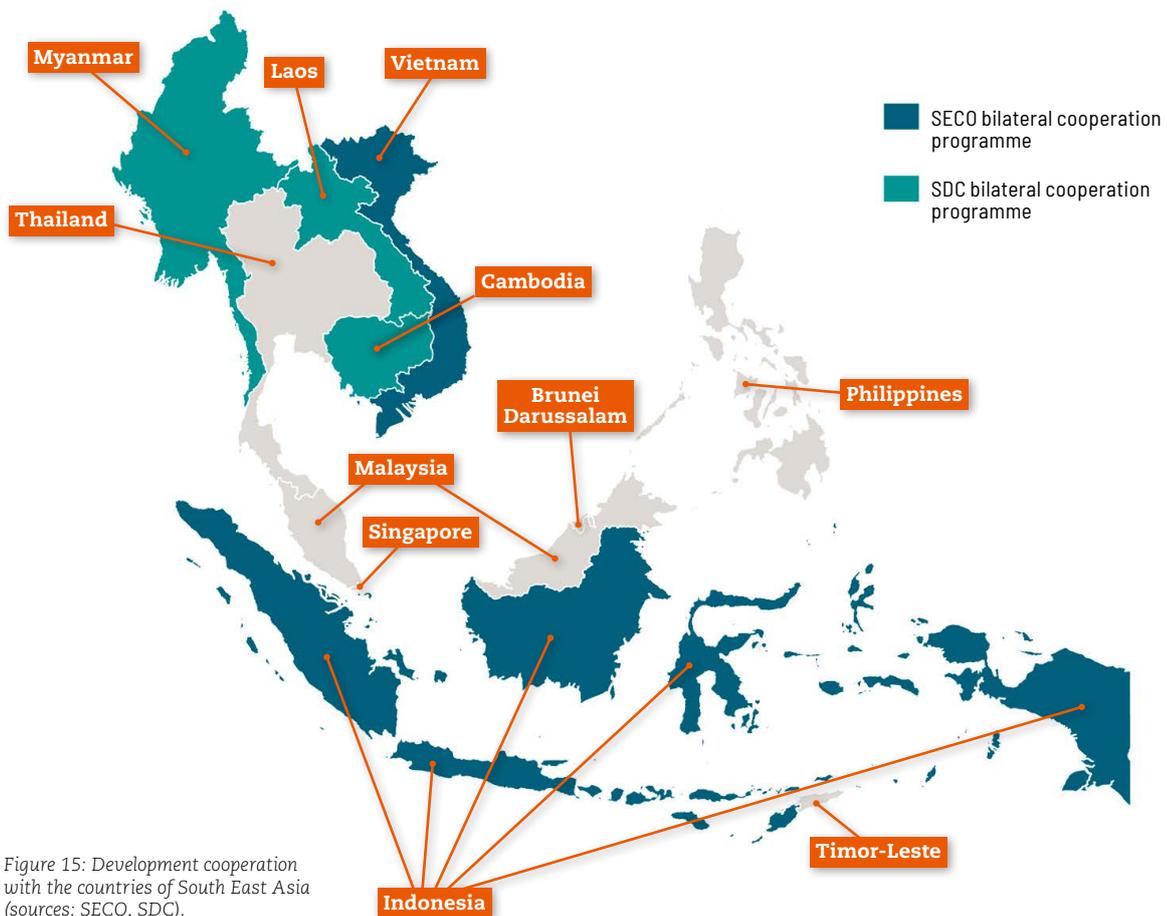


Figure 15: Development cooperation with the countries of South East Asia (sources: SECO, SDC).

3.3 Sustainability

Switzerland contributes to sustainable development in South East Asia within the framework of the 2030 Agenda. It supports efforts to mitigate **climate change**, for example by promoting sustainable and climate-friendly urban planning, while also contributing to adaptation to the impact of climate change in the South East Asian context. The FDFA operates a regional advisory hub in Bangkok that specialises in disaster risk reduction and advises South East Asian governments on dealing with climate-induced hazards. A further focus of development cooperation is on promoting climate-resilient infrastructure. Switzerland will also continue to deliver humanitarian aid when natural disasters occur.

An additional focus area of Switzerland's engagement is sustainable **natural resource management**. Through its development cooperation, Switzerland contributes to sustainable water management and promotes cross-border cooperation in this area. It also supports measures to promote sustainable food systems and improve the protection of forests. Switzerland takes into account the goal of sustainability not only in its development cooperation, but also in its foreign economic policy by, for example, incentivising resource-efficient production. In the free trade agreements sought with South East Asian countries, the inclusion of binding provisions on the sustainability-related aspects of trade is a key concern for Switzerland.

3.4 Digitalisation

South East Asia is an emerging centre for innovation in digital technologies. Like Switzerland, the majority of countries in the region want to resist regulatory bloc building in the digital space. This constellation harbours opportunities for cooperation, such as in digital governance and in facilitating digital commerce. Switzerland seeks to establish **regular dialogue** with selected South East Asian countries on these and other topics. There is also potential for enhanced cooperation in the area of cybersecurity. At the same time, Switzerland

takes account of the fact that digitalisation can be used as a tool to curb individual freedoms. Digital technologies also harbour new opportunities for science diplomacy and for the promotion of inclusive and sustainable development.

3.5 Services for citizens

In addition to the four thematic focus areas set out in the FPS 2020–2023, services for citizens have a key role to play in the South East Asian context. Some 18,600 Swiss nationals live in the region, around half of whom in Thailand (figure 16).²⁷ Pre-pandemic, the ASEAN countries also recorded around half a million arrivals a year by travellers from Switzerland.²⁸ Conversely, Switzerland is highly popular with tourists from South East Asia. Switzerland will continue to provide its citizens living abroad with **effective support** that is tailored to their needs. This includes expanding the digital service offering. Enhanced cooperation with host states on consular matters should also help optimise the living and residence conditions of Swiss nationals in South East Asia.

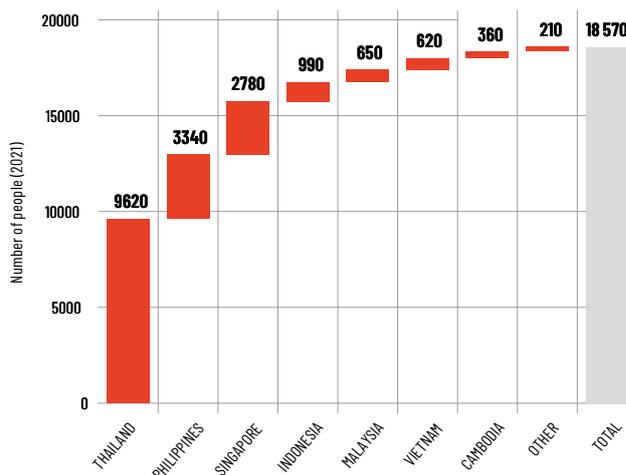


Figure 16: Swiss citizens living in South East Asia (source: FSO)

²⁷ Federal Statistical Office (FSO), [Swiss citizens living abroad](#), 2021.

²⁸ ASEAN, [Visitors arrival dashboard](#), 2019.

4 Multilateral priorities

Switzerland works at bilateral and multilateral level to safeguard its interests in South East Asia. This section concerns Switzerland's multilateral cooperation with the region, focussing in particular on relations with ASEAN.

4.1 Association of Southeast Asian Nations (ASEAN)

The Association of Southeast Asian Nations (ASEAN) is the **primary multilateral organisation** in South East Asia. With the exception of Timor-Leste, all the countries in the region are members. Since its founding in 1967, ASEAN has established itself as the central format for regional cooperation in a wide variety of policy areas. Besides economic integration, this includes promoting peace and stability, reducing the prosperity gap between member states, and furthering sustainable development. Moreover, in line with ASEAN centrality, ASEAN sees itself as a platform for inter-governmental cooperation throughout the entire Asia-Pacific. Dialogue platforms such as the ASEAN+ formats, the East Asia Summit (EAS) and the ASEAN Regional Forum (ARF) serve this purpose (see section 2.1). These platforms make ASEAN the only institution that is able to bring the relevant decision-makers both for South East Asia and for the broader Asia-Pacific to the table on a regular basis.

Switzerland has had a **Sectoral Dialogue Partnership** with ASEAN since 2016. This allows foreign policy priorities with regard to South East Asia to be increasingly addressed at the multilateral level. As Sectoral Dialogue Partner, Switzerland enjoys privileged access to high-level meetings within ASEAN, for example with foreign and economic ministers. An integral part of the Sectoral Dialogue Partnership is also technical assistance, through which Switzerland helps to reduce development gaps between ASEAN countries. In doing so, it supports ASEAN's efforts in the thematic focus areas of peace and security, prosperity, sustainability and digitalisation that coincide with its own interests. A joint steering committee conducts an annual review of the partnership and sets out guidelines for its further development.

The **parameters of cooperation** for the period from 2022 to 2026 are set out in jointly defined practical cooperation areas. To promote peace and security, for example, Switzerland supports the ASEAN Intergovernmental Commission on Human Rights (AICHR), which works to uphold and protect human rights in South East Asia. In the area of prosperity, Switzerland's activities include bringing its expertise to bear to strengthen vocational education and training. As the economic integration of ASEAN continues, trade policy concerns could also increasingly be addressed at regional level, for example as part of cooperation between EFTA and ASEAN. In terms of sustainability, the focus is on support of ASEAN's efforts in disaster management, climate protection, preservation of biodiversity and sustainable water management. Finally, in the area of digitalisation, Switzerland seeks regular dialogue with ASEAN and supports capacity development to bolster cybersecurity in the countries of South East Asia.

Objectives and measures

- AN.A Switzerland will support ASEAN in promoting peace and security in the region.**
- AN.A1 Help strengthen regional structures and capacity to protect human rights.
 - AN.A2 Promote capacity development and the exchange of experience in the area of peace policy.
 - AN.A3 Contribute to strengthening regional cooperation in demining operations.
- AN.B Switzerland and ASEAN will engage in political dialogue in the area of peace and security.**
- AN.B1 Continue the high-level dialogue on global and regional policy topics.
 - AN.B2 Promote exchange and dialogue on security policy topics as part of Switzerland's membership of the UN Security Council (2023–24).
- AN.C Switzerland will advocate good framework conditions in economic relations with South East Asia at ASEAN level.**
- AN.C1 Continue high-level dialogue on economic and trade policy issues.
 - AN.C2 Conclude a joint declaration on cooperation between EFTA and ASEAN countries.
- AN.D Switzerland will work within the ASEAN framework to reduce economic inequality between and within the countries of South East Asia.**
- AN.D1 Contribute to initiatives to strengthen vocational education and training in ASEAN countries.
 - AN.D2 Support ASEAN's efforts to improve protection for migrant workers.
- AN.E Switzerland will support ASEAN in promoting sustainable development in its member states.**
- AN.E1 Help foster regional cooperation in disaster management.
 - AN.E2 Support ASEAN's efforts in the areas of climate protection and biodiversity.
- AN.F Switzerland and ASEAN will develop structured cooperation in the area of digitalisation.**
- AN.F1 Establish regular dialogue on digitalisation.
 - AN.F2 Contribute to capacity development within ASEAN in the area of cybersecurity.

4.2 Other multilateral formats

Alongside its cooperation with ASEAN, Switzerland is involved in a range of other multilateral formats that are relevant to South East Asia. These include the **Asian Development Bank** (ADB), which was set up in 1966 and is headquartered in Manila. The ADB supports the economic and social development of various low- and middle-income countries in the Asia-Pacific, including the majority of South East Asian countries. As a multilateral development bank it primarily awards loans on favourable terms, although its instruments also include technical assistance, non-repayable grants and capital investment. Switzerland has been a member of the ADB since 1967. That makes it part of the first generation of the now 19 countries that are ADB member states but not located in the Asia-Pacific. In addition to its role as a creditor, Switzerland also supports selected projects with a thematic focus on renewable energies, energy efficiency, disaster management and climate-resilient urban development.

Switzerland is involved in another multilateral development bank that focuses on the Asia-Pacific: the **Asian Infrastructure Investment Bank** (AIIB), which was established in 2015 as a Chinese-led initiative and is headquartered in Beijing. With around 27% of the voting power (as of 2022), China plays a predominant role among the 89 members. In light of this, the AIIB sees itself as an alternative to the 'Western-led' Bretton Woods institutions (World Bank and International Monetary Fund, IMF). The AIIB focuses on financing infrastructure projects in the areas of transportation, energy and water supply, urban development and digital connectivity. It therefore plays a part in covering the significant need for investment in infrastructure, including in South East Asia, where it acts as a lender in the majority of countries. Switzerland is a founding member of the AIIB. Through its membership, it ensures in particular that the AIIB complies with international environmental and social standards, and that it meets the criteria for sustainable infrastructure financing.

Through its support for the **Mekong River Commission** (MRC), Switzerland contributes to the improvement of water management in the Mekong sub-region. The MRC is an intergovernmental organisation founded in 1995 whose four members are situated in the Mekong sub-region: Cambodia, Laos, Thailand and Vietnam. It serves as a platform for cross-border cooperation in managing the Mekong basin. In light of increasing fluctuation in the water levels of the Mekong River, which threatens the livelihoods of millions of people (see section 2.2), this cooperation is becoming more important. The four MRC members also take part in the Lancang-Mekong Cooperation (LMC) dialogue mechanism, which was established as a Chinese-led initiative in 2016, and also includes China and Myanmar. The unequal balance of power within the LMC illustrates the need for effective alignment between the four MRC members. Switzerland has

supported the MRC since it was established. Over the coming years, the focus will be on implementation of the MRC's Basin Development Strategy 2021–2030, which promotes inclusive access to the water resources of the Mekong and supports resilience of the population of the Mekong basin to climate risks. The efforts also include strengthening the institutional capacities of the MRC Secretariat in Vientiane.

Other multilateral channels also serve as platforms for cooperation with South East Asia. Switzerland and the ASEAN countries are participants in the **Asia-Europe Meeting** (ASEM), which comprises 51 countries from Europe and the Asia-Pacific (as well as the EU and ASEAN). As part of ASEM, high-level discussions take place each year, alternating between heads of state/government and foreign ministers. The intergovernmental **Asia-Europe Foundation** (ASEF), whose secretariat is located in Singapore, is affiliated with the ASEM. Through concrete projects, Switzerland supports ASEF in its efforts to deepen ties between Europe and the Asia-Pacific at the level of the authorities and civil society. For example, Switzerland co-organises the annual ASEM Seminar on Human Rights. Also based in Singapore is the **Shangri-La Dialogue**, the preeminent security summit in the Asia-Pacific. Switzerland and the countries of South East Asia are regularly represented at senior level. The conference also offers a valuable opportunity for bilateral exchange.

For the time being, Switzerland is not pursuing any form of association with the two major **regional economic agreements**, the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). While RCEP comprises all ten ASEAN countries, the CPTPP's members include Malaysia, Singapore and Vietnam (Brunei Darussalam has signed the agreement but is yet to ratify it, see section 2.2). Switzerland is analysing the development of these economic agreements on an ongoing basis, reviewing in particular the economic benefits and the political feasibility of potential accession.

5 Bilateral priorities

In addition to multilateral cooperation, bilateral exchange remains a key element of Switzerland's relations with South East Asia. This section sets out the objectives and measures that Switzerland seeks to implement in collaboration with the countries of the region in the period from 2023 to 2026. For Brunei Darussalam and Timor-Leste, where Switzerland

does not pursue any major interests, no specific objectives and measures are planned. Figure 17 provides an overview of how high a priority each of the FPS' four thematic focus areas is for Switzerland in each country.



Figure 17: Bilateral priorities of the South East Asia Strategy 2023–2026 (source: FDFA).

5.1 Indonesia

INDONESIA	
	Population: 275m (2021) Population growth: +43m (2050 forecast) Human Development Index: ranked 114/191 (2021)
	GDP: USD 1,187bn (2021) GDP growth: +5.2% p.a. (forecast for 2023–2027) GNI per capita: USD 4140 (2021)
	Representation since: 1863 (embassy) Swiss Community: 993 people (2021) Trade volume: CHF 1.9bn (2021)

Indonesia is the **demographic and economic heavy-weight** of South East Asia. The archipelagic state, made up of 17,000 islands, is home to over 270 million people.²⁹ That makes it the world's fourth most populous country. In addition, its GDP of around USD 1.2 trillion (2021) accounts for over a third of South East Asia's economic output.³⁰ Long-term forecasts suggest that Indonesia could even become the world's fourth largest economy by 2050 (after China, the United States and India).³¹

Indonesia's **active foreign policy** reflects the country's growing importance. Within ASEAN, whose secretariat is located in Jakarta, Indonesia plays a leading role. At global level, too, Indonesia advocates effective multilateralism. Since 2008 it has, as one of the world's most populous democratic countries, hosted the high-level Bali Democracy Forum, which aims to promote democratic values in the Asia-Pacific.

Indonesia has seen remarkable socio-economic developments in the last two decades. While over 70 million people were living in extreme poverty in 2000, that figure is now less than 10 million.³² A rapidly growing middle class is enjoying rising living standards. Nevertheless, the country still faces significant **economic and social challenges**. There is room for improvement in the productivity and competitiveness of SMEs, which are the backbone of the Indonesian economy, employing some 90% of the workforce. This holds back the creation of new jobs at a time when some two million young people enter the labour market every year. In addition, rapid urbanisation – 70% of Indonesians will live in cities by 2045 – presents major challenges for urban infrastructure.³³ There is also room for improvement in terms of human rights, including in protecting minorities and preventing torture.

Extensive environmental problems are the flip side of rapid economic growth. The clearing of the tropical rainforest threatens biodiversity and accelerates climate change. Despite its goal of reaching net zero by 2060, Indonesia's carbon emissions continue to rise sharply. The country is already among the world's ten biggest CO₂ emitters.³⁴ At the same time, Indonesia is disproportionately affected by climate change due to its low-lying settlement areas. Damage caused by flooding and landslides has increased in recent years. Irrespective of climate change, Indonesia is also regularly affected by natural disasters owing to its location on the Pacific Ring of Fire.

For Switzerland, Indonesia is a partner with **great future potential**. While bilateral trade volume is currently in the mid-range of ASEAN countries, the size and dynamism of the Indonesian economy implies more opportunities for economic exchange in future. The Comprehensive Economic Partnership Agreement between EFTA and Indonesia that entered into force in 2021 will help develop this potential. To contribute to the protection of the tropical rainforest, it only permits tariff reductions on imports of palm oil if it was produced according to recognised sustainability criteria. The bilateral investment promotion and protection agreement signed in 2022 also seeks to promote economic exchange by increasing legal certainty for Swiss direct investment in Indonesia. In addition to cooperation on economic matters, Indonesia – a G20 member – is increasingly important to Switzerland as a partner in multilateral bodies. Furthermore, the efforts to promote democracy are likely to open up more opportunities for collaboration in future.

As part of SECO's economic development cooperation, Switzerland supports Indonesia in **overcoming remaining development challenges**. This work focuses on making the private sector more competitive and promoting efficient public institutions, particularly in cities. In addition, Switzerland works towards improving Indonesia's capacity to deal with natural disasters. And in the area of human rights, Switzerland remains committed and works closely with the local authorities, in particular on the priority issues of torture prevention and corporate responsibility to protect human rights.

29 United Nations Department of Economic and Social Affairs (UNDESA), [World Population Prospects](#), 2022.

30 International Monetary Fund (IMF), [Direction of Trade Statistics](#), October 2022.

31 Bloomberg, [Global Economic Forecast 2050](#), November 2020.

32 World Bank, [World Development Indicators](#) (Poverty headcount ratio at \$1.90 a day), 2021.

33 [Cooperation Programme in Indonesia 2021–2024](#).

34 World Bank, [World Development Indicators](#) (CO₂ emissions), 2021.

Objectives and measures

- ID.A Switzerland will strengthen its cooperation with Indonesia in the promotion of peace and security.**
- ID.A1 Step up cooperation in multilateral bodies.
 - ID.A2 Continue local consultations and practical cooperation in the area of human rights.
 - ID.A3 Strengthen cooperation in the area of democracy promotion.
- ID.B Switzerland and Indonesia will intensify their bilateral economic relations.**
- ID.B1 Support implementation of the Comprehensive Economic Partnership Agreement between the EFTA states and Indonesia.
 - ID.B2 Coordinate deployment of all commercial diplomacy and export promotion instruments.
 - ID.B3 Secure facilitated access for Swiss businesses to major infrastructure projects in Indonesia.
- ID.C Switzerland will help to promote a competitive private sector in Indonesia.**
- ID.C1 Support Indonesian SMEs in accessing international markets and financial services.
 - ID.C2 Promote a demand-driven vocational education and training system and an innovative financial sector.
- ID.D Switzerland will contribute to sustainable development in Indonesia.**
- ID.D1 Monitor compliance with sustainability provisions in the Comprehensive Economic Partnership Agreement between the EFTA states and Indonesia.
 - ID.D2 Promote sustainable urban development.
 - ID.D3 Support the development of sustainable value chains.
 - ID.D4 Conduct regular dialogue on labour and employment issues.
- ID.E Switzerland will strengthen cooperation with Indonesia on disaster risk reduction.**
- ID.E1 Build the capacity of Indonesian authorities in the area of disaster risk management.
 - ID.E2 Support public awareness-raising activities on disaster risks and civil protection.
- ID.F Switzerland and Indonesia will develop structured cooperation in the area of digitalisation.**
- ID.F1 Establish regular bilateral dialogue on digitalisation.

5.2 Cambodia

CAMBODIA	
	Population: 17m (2021) Population growth: +4m (2050 forecast) Human Development Index: ranked 146/191 (2021)
	GDP: USD 26bn (2021) GDP growth: +6.5% p.a. (forecast for 2023-2027) GNI per capita: USD 1550 (2021)
	Representation since: 1964 (cooperation office) Swiss Community: 355 people (2021) Trade volume: CHF 383m (2021)

Cambodia is a country with a **turbulent history**. Independence in 1954 was followed by four decades of political violence, with more than a quarter of the population losing their lives under the Khmer Rouge's reign of terror (from 1975 to 1979). Under the current government, whose prime minister has been in office since 1985, political pluralism is restricted, with the main opposition party having been banned in 2017. The work of the media and civil society actors is hindered by extensive surveillance laws.

With annual per capita income of USD 1,550 (2021), Cambodia is one of the **least developed countries** in South East Asia.³⁵ Despite significant development successes in the pre-pandemic years, around three million people still live below the national poverty line.³⁶ People in rural areas are disproportionately affected by poverty. The increasing over-exploitation of natural resources, particularly forests and waters, is jeopardising livelihoods in these very regions. The increase in droughts and flooding as a result of climate change represents an additional challenge. Meanwhile, labour migration – particularly to neighbouring Thailand – remains a key economic factor.

Against this backdrop, **development cooperation** is the focus of bilateral relations between Switzerland and Cambodia. Together with Laos, Cambodia is part of the SDC's cooperation programme for the Mekong region. As part of this programme, Switzerland contributes to sustainable natural resource management, inclusive economic development and the promotion of democratic governance. The efforts also involve strengthening a vocational education and training system that is tailored to the needs of the local labour market. It is intended to support the vocational skills of migrants and contribute to safe migration that brings benefits for both host countries and countries of origin. Switzerland also contributes to demining work in order to ensure safe access to land resources, thereby promoting rural development.

Switzerland enjoys an outstanding reputation in Cambodia, thanks in no small part to the **Kantha Bopha children's hospitals**, which were set up by Swiss doctor Beat Richner and provide some 80% of Cambodian children and their mothers with access to free healthcare.³⁷ The SDC, alongside private donors, provides financial support for the five hospitals.

³⁵ World Bank, [World Development Indicators](#) (GNI per capita, Atlas method), 2021.

³⁶ Asian Development Bank (ADB), [Cambodia and the ADB](#), 2019.

³⁷ [Kantha Bopha Foundation Children's Hospitals](#), 2022.

Objectives and measures

- KH.A Switzerland will play a part in strengthening democracy, human rights and human security in Cambodia.**
- KH.A1 Promote governance based on grass-roots democracy and the decentralized provision of public services.
 - KH.A2 Regularly address human rights in exchanges with government and authorities and support civil society initiatives.
 - KH.A2 Contribute to humanitarian mine clearance.
- KH.B Switzerland will help improve the economic opportunities of disadvantaged population groups.**
- KH.B1 Strengthen vocational skills in disadvantaged population groups and promote a regionally recognised vocational education and training system.
 - KH.B2 Promote safe and beneficial regional migration processes.
- KH.C Switzerland will support Cambodia in mitigating climate change and adapting to its impacts.**
- KH.C1 Support the reduction of greenhouse gas emissions with a focus on forest and land use.
 - KH.C2 Promote economic and social resilience to droughts and flooding.
- KH.D Switzerland will advocate the protection and sustainable management of natural resources.**
- KH.D1 Promote sustainable forestry and sustainable water management.
 - KH.D2 Enhance regional cooperation in the use of natural resources.
- KH.E Switzerland will help develop an inclusive health system in Cambodia.**
- KH.E1 Support healthcare for mothers and children (via the Kantha Bopha hospitals).

5.3 Laos

LAOS	
	Population: 7m (2021) Population growth: +2m (2050 forecast) Human Development Index: ranked 140/191 (2021)
	GDP: USD 19bn (2021) GDP growth: +3.8% p.a. (forecast for 2023-2027) GNI per capita: USD 2520 (2021)
	Representation since: 1964 (cooperation office) Swiss Community: 100 people (2021) Trade volume: CHF 132m (2021)

Relations between Switzerland and Laos are shaped by **development cooperation**. Like in Cambodia, its priorities lie in promoting sustainable resource management, inclusive economic development and democratic governance. The SDC cooperation programme for the Mekong region, which covers Cambodia and Laos, focuses on a transnational approach. This takes account of the fact that key challenges are transnational and can only be resolved through regional cooperation. The overexploitation of the Mekong river system, which stretches across six countries, illustrates this need.

Laos is the only landlocked country in South East Asia. This increases the **significance of the Mekong River**, which flows through or along the borders of nearly 1,900 kilometres of Laotian territory. The Mekong is used as a transport route, its fish stocks are an important food source, and its water is used in agriculture. The power plants that run on it produce abundant electricity that Laos exports to neighbouring countries. However, the importance of the Mekong as the country's lifeblood is increasingly jeopardised. Climate change and the growing number of dams are causing greater fluctuations in water levels (see section 2.2). In addition, increasing overfishing, contamination with wastewater and reduction of sediment threaten the ecological balance and pose a significant risk to the country's prosperity.

Laos has been a one-party state since 1975, with the ruling communist party's monopoly on power constitutionally guaranteed. There are significant restrictions on freedom of expression and freedom of assembly. Despite considerable progress in poverty reduction, economic and social inequality is still marked. Agriculture continues to be crucial to employment. The economic model, which brought high rates of growth before the COVID-19 pandemic, is propped up by the country's **wealth of natural resources**. But exploiting them is increasingly unsustainable, as shown by the impairment of waters, deforestation and soil degradation caused by agriculture. This particularly affects disadvantaged population groups, such as ethnic minorities and communities in remote areas, whose economic alternatives are limited. The increase in natural disasters as a result of climate change represents an additional challenge.

Objectives and measures

- LA.A **Switzerland will advocate **democracy and human rights** in Laos.**
 - LA.A1 Promote the decentralised provision of public services.
 - LA.A2 Work to strengthen the legal framework for civil society.
 - LA.A3 Regularly address human rights in exchanges with government and authorities.

- LA.B **Switzerland will help **improve the economic opportunities** of disadvantaged population groups.**
 - LA.B1 Strengthen vocational skills in disadvantaged population groups and promote a regionally recognised vocational education and training system.
 - LA.B2 Promote safe and beneficial regional migration processes.

- LA.C **Switzerland will support Laos in expanding **disaster risk reduction**.**
 - LA.C1 Strengthen state capacity to use hydropower safely (safety of dams).
 - LA.C2 Promote economic and social resilience to droughts and flooding.

- LA.D **Switzerland will work to secure access to **natural resources** and promote their sustainable management.**
 - LA.D1 Work to strengthen natural resource ownership rights.
 - LA.D2 Promote sustainable water management and contribute to the development of sustainable, demand-driven agriculture.
 - LA.D3 Strengthen regional cooperation in the use of natural resources.

5.4 Malaysia

MALAYSIA	
	Population: 34m (2021) Population growth: +7m (2050 forecast) Human Development Index: ranked 62/191 (2021)
	GDP: USD 373bn (2021) GDP growth: +4.4% p.a. (forecast for 2023-2027) GNI per capita: USD 10,930 (2021)
	Representation since: 1963 (embassy) Swiss Community: 654 people (2021) Trade volume: CHF 2.2bn (2021)

Malaysia is characterised by its **special geographical location**: it is the only country in South East Asia that is located both on the mainland and on the South East Asian (Malay) archipelago. While the mainland is home to the political and economic centre, the part of the country on the island of Borneo features remarkable natural wealth. Following decades of political stability, there have been repeated changes of government since 2018. Religious and ethnic tensions, in some cases caused by the preferential legal treatment of the politically dominant Malays over ethnic minorities, contribute to political and social polarisation.

Malaysia is an **open, export-oriented economy** with a strong manufacturing industry. The electronics sector in particular is an increasingly important pillar, while previously dominant oil and gas extraction now only accounts for around a fifth of economic output.³⁸ The investment environment is considered favourable, despite legal uncertainties. Crucial to this are the country's modern infrastructure and its well-qualified, English-speaking workforce. Important industries of the future, such as semi-conductor manufacturing, have production facilities in the country. Malaysia is also the world's biggest producer of palm oil after Indonesia.

The country's prospects are marred by **various challenges**. In addition to political instability, this particularly concerns energy supply, which is almost exclusively based on fossil fuels.³⁹ In light of this, the government's goal of achieving climate neutrality by 2050 will require fundamental changes. Efforts to protect the tropical rainforest from continuing deforestation could also be strengthened. Room for improvement remains as regards the human rights situation, for example with regard to freedom of expression and the rights of the many migrant workers in the country.

For Switzerland, Malaysia is primarily significant as an **economic partner**. Measured in terms of direct investment, it is the second most important location for Swiss businesses in South East Asia. In this regard, Switzerland seeks to amend the 1978 Bilateral Investment Promotion and Protection Agreement. Switzerland would also like to successfully conclude the ongoing negotiations for a free trade agreement between the EFTA states and Malaysia in the next few years. Including effective sustainability provisions as a part of a future free trade agreement should help to improve the environmental and working conditions in Malaysia. In the same way as in the comprehensive economic partnership agreement with Indonesia, this could promote the sustainable production of palm oil, among other things.

³⁸ Malaysian Investment Development Authority, [Oil and Gas](#), 2022.

³⁹ International Energy Agency (IEA), [Malaysia](#), 2019.

Objectives and measures

MY.A Switzerland will strengthen its cooperation with Malaysia in the promotion of peace and security.

MY.A1 Step up cooperation in multilateral bodies.

MY.A2 Regularly address human rights in exchanges with government and authorities.

MY.B Switzerland and Malaysia will intensify their bilateral economic relations.

MY.B1 Conclude a comprehensive and modern free trade agreement between the EFTA states and Malaysia.

MY.B2 Revise the bilateral investment promotion and protection agreement.

MY.B3 Coordinate deployment of all commercial diplomacy and export promotion instruments.

MY.C Switzerland will contribute to sustainable development in Malaysia.

MY.C1 Include a comprehensive sustainability section in the free trade agreement sought between the EFTA states and Malaysia.

MY.C2 Promote knowledge-sharing regarding CO₂ reduction and the sustainable use of resources.

MY.C3 Support Swiss businesses in Malaysia in assuming their environmental and social responsibilities.

5.5 Myanmar

MYANMAR	
	Population: 54m (2021) Population growth: +6m (2050 forecast) Human Development Index: ranked 149/191 (2021)
	GDP: USD 65bn (2021) GDP growth: +3.4% p.a. (forecast for 2023-2027) GNI per capita: USD 1140 (2021)
	Representation since: 1957 (embassy) Swiss Community: 80 people (2021) Trade volume: CHF 167m (2021)

The country formerly known as Burma is shaped by **numerous areas of tension**. The main cause is the long-standing policy of 'Bamarisation', under which the many ethnic minorities were subject to systematic discrimination by the Buddhist Bamar majority. More than twenty armed ethnic groups have been fighting for more political rights and autonomy from the central government, in some cases for decades. The brutal behaviour of government troops towards the Muslim Rohingya minority in the south-west of the country made international headlines in 2017. The refugee crisis it caused (see section 2.2) is still unresolved.

Myanmar had been governed autocratically for decades before a process of democratisation got under way in 2011. Political reforms were initiated and peace talks held, while flows of foreign investment stimulated the economy. The **military coup d'état** in February 2021 brought this development to an abrupt end. The democratically elected government was removed and public resistance was violently suppressed by the security forces. Members of the dissolved parliament formed a military-opposing shadow government that claims political control of the country.

Today Myanmar finds itself in a deep **political, economic and humanitarian crisis**. In various parts of the country, armed resistance troops are fighting an intensive guerrilla war against the military. This escalating violence overshadows and exacerbates the existing conflicts in the country. Several hundreds of thousands of people have been internally displaced or have fled to neighbouring countries since the military coup alone. International pressure and attempts at mediation have so far been unsuccessful. The economy has been hit hard, with Myanmar having already been the poorest country in South East Asia before the current crisis. Public healthcare has collapsed in many places, and food security can no longer be guaranteed. In conflict-torn areas, the population still largely lacks access to humanitarian aid. Against this backdrop, increasingly urgent measures to mitigate the impact of climate change and natural hazards are not getting the necessary attention.

It is in Switzerland's interest for Myanmar not to become a failed state. Switzerland's engagement takes a **broad-based approach** that combines instruments of development cooperation, humanitarian aid, peacebuilding and human rights diplomacy. Switzerland is also supporting efforts to overcome the crisis in Myanmar as a UN Security Council member in 2023 and 2024. The primary focus is on reducing violence, promoting dialogue and alleviating human suffering. Switzerland engages with all parties to the conflict and works to help bring about a political solution to the conflict. It offers its good offices, without lending the military junta political legitimacy. Looking to the longer term, Switzerland also supports the continuation of Myanmar's transformation into a democratic and prosperous country. Myanmar will only be able to enjoy lasting peace and stable development once the problems underlying the conflicts are addressed – poverty, discrimination, insufficient political participation and a lack of social cohesion.

Objectives and measures

MM.A Switzerland will deliver **humanitarian aid** and work to **protect the civilian population**.

MM.A1 Provide humanitarian aid to vulnerable population groups (including refugees in neighbouring countries).

MM.A2 Campaign for better access to humanitarian aid, protection of the civilian population and respect for international humanitarian law.

MM.B Switzerland will advocate **peace, democracy and human rights** in Myanmar.

MM.B1 Support parties to the conflict with ceasefire negotiations and peace talks.

MM.B2 Support civil society initiatives in the area of human rights and the protection of human rights defenders.

MM.B3 Promote accountability for international crimes (via the Independent Investigative Mechanism for Myanmar, IIMM).

MM.C Switzerland will work to **improve the livelihoods** of disadvantaged population groups.

MM.C1 Promote measures to improve food security.

MM.C2 Strengthen healthcare in remote and conflict-torn areas.

MM.D Switzerland will support Myanmar in **adapting to climate change**.

MM.D1 Support disaster risk reduction activities in particularly affected areas.

MM.E Switzerland will **review its development work on an ongoing basis** against the backdrop of the political situation in the country.

MM.E1 Conduct internal and external assessments of the value of continuing the Swiss contributions beyond humanitarian aid.

5.6 Philippines

PHILIPPINES	
	Population: 115m (2021) Population growth: +44m (2050 forecast) Human Development Index: ranked 116/191 (2021)
	GDP: USD 394bn (2021) GDP growth: +5.8% p.a. (forecast for 2023-2027) GNI per capita: USD 3640 (2021)
	Representation since: 1862 (embassy) Swiss Community: 3343 people (2021) Trade volume: CHF 958m (2021)

The Philippines is a country with substantial **economic development potential**. The third-largest economy in South East Asia is also one of the region's most dynamic, with pre-pandemic growth rates of over 6%.⁴⁰ The continuation of this trend will depend largely on whether the country manages to improve its economic framework conditions (infrastructure, efficiency of public administration, education). Furthermore, large parts of the population do not benefit from the country's economic upswing at all, or only to a limited extent. Around one fourth of people in the Philippines still live under the national poverty line, with a lack of food security remaining a widespread problem.⁴¹

The increasing frequency and intensity of **natural disasters** is exacerbating the poverty issues. Together with the island states of the South Pacific, the Philippines is one of the countries hit the hardest by natural disasters. Typhoons, earthquakes and volcanic eruptions claim numerous lives each year and cause extensive damage to agriculture and infrastructure. Disaster management in the Philippines regularly reaches the limits of its capacity given the many natural catastrophes and the topography of the country (with over 7,000 islands).

Armed conflicts are an additional challenge. In the Bangsamoro region in the south of the country, the peace process needs new impetus following the agreement reached in 2014. Owing to the many Islamist rebel factions, the potential for conflict remains high. In addition, the simmering conflict between government troops and communist groups in various parts of the country has recently gathered momentum. Another cause for concern is the anti-drug campaign ('war on drugs') declared by the then government in 2016 – a campaign that includes systematic and widespread extrajudicial killings of drug crime suspects. The Philippines has been drawing international criticism for these gross violations of human rights.

Switzerland and the Philippines maintain **multifaceted relations**. Alongside its work furthering human rights, Switzerland has been supporting the peace process in the Bangsamoro region through various activities, including its chairing of the Transitional Justice and Reconciliation Commission from 2014 to 2021. Further opportunities for peace policy engagement are being examined. In terms of economic affairs, Switzerland seeks to make greater use of the free trade agreement which entered into force in 2018. Furthermore, Switzerland is supporting the Philippines in implementing the 2030 Agenda, with a focus on capacity-building for disaster risk reduction. With over 3,300 people, the Philippines is also home to the second-largest community of Swiss abroad in Asia, making consular relations another important aspect of bilateral ties.

40 International Monetary Fund (IMF), [World Economic Outlook](#), October 2022.

41 Asian Development Bank (ADB), [Philippines and ADB](#), 2021.

Objectives and measures

PH.A Switzerland will work towards **peaceful development** in the Philippines.

PH.A1 Continue the partnership-based approach to dealing with the past.

PH.A2 Examine new opportunities for cooperation furthering the peace process in the Bangsamoro region.

PH.B Switzerland will work to **protect human rights** with a focus on Philippine drug policy.

PH.B1 Promote multilateral and civil society initiatives in the area of human rights.

PH.B2 Protect human rights defenders.

PH.C Switzerland and the Philippines will step up their **bilateral economic relations**.

PH.C1 Encourage use of the free trade agreement between the EFTA states and the Philippines and promote the solving of existing technical implementation problems.

PH.C2 Coordinate deployment of all commercial diplomacy and export promotion instruments.

PH.D Switzerland will deepen cooperation with the Philippines on **implementation of the 2030 Agenda**.

PH.D1 Help build local capacity in disaster risk reduction and management.

PH.D2 Support work towards greater social responsibility of local businesses.

5.7 Singapore

SINGAPORE	
	Population: 6m (2021) Population growth: +0.4m (2050 forecast) Human Development Index: ranked 12/191 (2021)
	GDP: USD 397bn (2021) GDP growth: +2.5% p.a. (forecast for 2023-2027) GNI per capita: USD 64,010 (2021)
	Representation since: 1917 (embassy) Swiss Community: 2776 people (2021) Trade volume: CHF 12bn (2021)

The former British colony, which gained independence from Malaysia in 1965, has rapidly evolved to become a prosperous economic metropolis. The city state with a population of around 6 million is now considered the **gateway to South East Asia**, with many global companies using it as a base from which to serve the regional market. Singapore is also important as an international financial centre, which like Switzerland specialises in the management of foreign assets. In addition, its universities' globally high rankings underscore the country's significance as a location for education, research and innovation. Around half of South East Asia's 'unicorns' (start-ups with a valuation of USD 1 billion or more) are from Singapore.⁴²

Singapore considers itself a **non-aligned trading hub**. Like Switzerland, it has scarce natural resources and is therefore reliant on an open, rules-based world order with functioning supply chains. Domestically, the country enjoys a high level of stability, although restrictions on freedom of expression limit political pluralism. In terms of foreign policy, Singapore has privileged relations with both China and the United States. Against this backdrop, the intensifying competition between these two powers – and in particular the associated risk of a decoupling of global markets – represent a challenge for Singapore. On account of its high level of economic integration in South East Asia, Singapore is also vulnerable to upheaval in the region. Climate change, to which the city state is exposed due to its low-lying location, is an additional risk.

Overall, however, Singapore appears well equipped for the future, as it enjoys some major **comparative advantages**. Its combination of political stability, legal certainty, a well-qualified workforce, a business-friendly environment and high quality of life is unrivalled in South East Asia. And by global standards, too, Singapore's competitiveness stands out, regularly ranking top in this area.⁴³ The developments in Hong Kong should further increase Singapore's importance as an Asian economic hub in the coming years. In addition, Singapore has modern armed forces that are geared to defence operations and are deployed for international peace-keeping missions and humanitarian activities. For the Swiss Armed Forces, this opens up opportunities for cooperation in selected areas.

Singapore is by far Switzerland's **most important economic partner** in South East Asia. Around half of trade with the region is processed via Singapore,⁴⁴ and more than 70% of Swiss direct investment in South East Asia goes to the city state.⁴⁵ Switzerland has a considerable economic presence in Singapore, as some 400 Swiss companies have offices there. Many Swiss institutions from the fields of education, research and innovation are also represented. For example, the Swiss Federal Institute of Technology (ETH) Zurich has its only location outside Switzerland in Singapore. Switzerland would like to continue to leverage Singapore as a hub for its activities in South East Asia, particularly in the area of economic affairs, finance and science. Closer cooperation on the protection of intellectual property has already been agreed. As a highly innovative country, Singapore could also help to step up cooperation in the area of digitalisation, for example as a partner for the broadening of Swiss science diplomacy. In addition, Switzerland's promotion of human rights – particularly its work towards the abolition of the death penalty – will remain an integral part of Swiss-Singaporean relations.

42 Nikkei Asia, [Southeast Asia hosting more unicorns as internet economy takes off](#), October 2021.

43 [WEF Global Competitiveness Report, IMD World Competitiveness Ranking](#).

44 Federal Office for Customs and Border Security (FOCBS), [Swiss-Impex](#), 2021.

45 Swiss National Bank (SNB), [Swiss direct investment abroad](#), 2020.

Objectives and measures

- SG.A Switzerland and Singapore will strengthen their economic and scientific bilateral relations.**
- SG.A1 Modernise the free trade agreement between the EFTA states and Singapore.
 - SG.A2 Coordinate deployment of all commercial diplomacy and export promotion instruments.
 - SG.A3 Strengthen excellence-based cooperation in the area of education, research and innovation using existing instruments.
- SG.B Switzerland and Singapore will step up cooperation in the area of finance and taxation.**
- SG.B1 Actively cultivate exchange between key actors in the area of finance and taxation (including regular financial dialogue and close collaboration in the field of innovation).
 - SG.B2 Conclude a bilateral agreement on mutual legal assistance to optimise cooperation in areas including in particular the prosecution of financial and economic crime.
- SG.C Switzerland will deepen cooperation with Singapore on implementation of the 2030 Agenda.**
- SG.C1 Explore potential cooperation in the development and use of cleantech.
 - SG.C2 Expand collaboration in the area of sustainable finance.
- SG.D Switzerland and Singapore will develop structured cooperation in the areas of digitalisation and science diplomacy.**
- SG.D1 Establish regular bilateral dialogue on digitalisation.
 - SG.D3 Conclude an agreement on digital commerce.
 - SG.D2 Involve Singaporean partners in the work of the Geneva Science and Diplomacy Anticipator (GESDA).

5.8 Thailand

THAILAND	
	Population: 72m (2021) Population growth: -4m (2050 forecast) Human Development Index: ranked 66/191 (2021)
	GDP: USD 506bn (2021) GDP growth: +3.4% p.a. (forecast for 2023-2027) GNI per capita: USD 7260 (2021)
	Representation since: 1932 (embassy) Swiss Community: 9622 people (2021) Trade volume: CHF 5.7bn (2021)

Thailand lies at the **heart of the Mekong sub-region**. As one of the most politically and economically significant countries in South East Asia, it assumes a leading role vis-à-vis its neighbours, particularly Cambodia, Laos and Myanmar. Thailand is the only country in South East Asia with no colonial past. It has been a constitutional monarchy since 1932 and has since been governed in turns by the military and by democratically elected governments. In Thailand's political and social system, the monarchy, military and various corporate conglomerates play a significant role in addition to the conventional political institutions. The country has a lively and diverse civil society.

Thailand is currently experiencing **domestic political tensions**. The traditional centres of power are clashing with a younger, urban and educated pro-democracy movement that is calling for a breakup of existing power structures, a more inclusive political system and more freedom of expression. While peaceful gatherings of government opponents are tolerated, criticism of the monarchy and its activities is prosecuted as a criminal offence. In the southernmost provinces bordering Malaysia, an internal armed conflict has been simmering since 2004. It traces back to the attempts by the Malay Muslim minority living there to gain greater cultural and linguistic autonomy.

Thailand is the **second-largest economy in South East Asia** and a typical middle-income country.⁴⁶ Its economic model is export-oriented and based on labour-intensive production (some 3 million migrant workers live in the country) and foreign investment. Tourism accounts for around a fifth of economic output (pre-pandemic), making it an important sector of the economy.⁴⁷ The ambitious industrial policy goal of making Thailand a highly developed manufacturing and technology centre will require significant structural reform, including further opening of the economy and the modernisation of the education system.

Bilateral relations with Thailand are **diverse and dynamic**. Switzerland enjoys an excellent reputation in Thailand, not least thanks to the Swiss connection of the extremely popular King Bhumibol (1927–2016; see section 1.2). Thailand is Switzerland's second most important trading partner in South East Asia after Singapore.⁴⁸ Switzerland is also important to Thailand in terms of trade policy. The free trade agreement sought between the EFTA states and Thailand should further strengthen these close economic ties. Cooperation in the area of sustainability is also gaining importance. The bilateral agreement on international carbon offsetting signed in 2022 has laid an important foundation in this regard. Furthermore, commitment to peace, democracy and human rights will continue to be one of Switzerland's priorities with regard to Thailand.

A special feature of relations with Thailand is the comparably high importance of consular matters. Thailand is home to the **largest Swiss community in Asia**⁴⁹ – made up of some 9,600 people. In addition, an average of around 200,000 Swiss tourists were visiting the country each year up until the COVID-19 pandemic.⁵⁰ Providing its citizens with effective and needs-based support, and improving the legal framework for long-term stays in Thailand, are key concerns for Switzerland. These efforts include regular consular dialogue with the Thai authorities.

46 International Monetary Fund (IMF), [World Economic Outlook](#), October 2022.

47 Bank of Thailand, [Revitalising Thailand's tourism sector](#), 2021.

48 Federal Office for Customs and Border Security (FOCBS), [Swiss-Impex](#), 2021.

49 Federal Statistical Office (FSO), [Swiss citizens living abroad](#), 2021.

50 ASEAN, [Visitors arrival dashboard](#), 2019.

Objectives and measures

TH.A Switzerland will help optimise conditions for **Swiss citizens in Thailand**.

TH.A1 Conduct regular bilateral dialogue on consular matters.

TH.A2 Work to improve the legal framework for the Swiss community in Thailand.

TH.B Switzerland will advocate **peace, democracy and human rights in Thailand**.

TH.B1 Regularly address human rights in exchanges with government and authorities.

TH.B2 Support civil society initiatives in the areas of democracy and human rights and protect human rights defenders.

TH.B3 Propose good offices to help resolve the conflict in the south of the country.

TH.C Switzerland and Thailand will intensify their **economic and scientific relations**.

TH.C1 Conclude a comprehensive and modern free trade agreement between the EFTA states and Thailand.

TH.C2 Coordinate deployment of all commercial diplomacy and export promotion instruments.

TH.C3 Strengthen excellence-based cooperation in the fields of education, research and innovation using existing instruments.

TH.D Switzerland will deepen its cooperation with Thailand in **implementation of the 2030 Agenda**.

TH.D1 Include a comprehensive sustainability section in the free trade agreement sought between the EFTA states and Thailand.

TH.D2 Help build capacity in disaster risk reduction and management.

TH.D3 Cooperate on the offsetting of CO₂ emissions.

TH.E Switzerland will seek closer cooperation with Thailand in the area of **digitalisation**.

TH.E1 Promote dialogue on digitalisation between Thai and Swiss actors.

5.9 Vietnam

VIETNAM	
	Population: 98m (2021) Population growth: +9m (2050 forecast) Human Development Index: ranked 115/191 (2021)
	GDP: USD 366bn (2021) GDP growth: +6.6% p.a. (forecast for 2023-2027) GNI per capita: USD 3560 (2021)
	Representation since: 1926 (embassy) Swiss Community: 615 people (2021) Trade volume: CHF 2.2bn (2021)

Vietnam is the **most dynamic economy** in South East Asia. Before the pandemic, the country recorded annual growth rates of between 6% and 7%.⁵¹ The opening up of its economy proved advantageous in this respect: in addition to membership of CPTPP and RCEP, Vietnam has concluded a series of bilateral free trade agreements, including with the EU and with the United Kingdom. Today the Vietnamese economy is heavily integrated in global trade flows. The gradual (albeit incomplete) transition from a planned economy to a market economy has also contributed to the fact that Vietnam has evolved from one of the world's poorest countries to a middle-income economy in just one generation. However, continuation of this dynamism is not guaranteed and depends largely on the evolution of the global economy and on the implementation of further structural reforms.

Officially, Vietnam is one of the world's five remaining **communist countries** along with neighbouring Laos. To protect its monopoly on power, the Communist party exerts influence over the legislature and judiciary, and employs a repressive police and military apparatus. Human rights defenders and independent journalists are persecuted and in some cases face draconian punishments. Digital technologies are increasingly being used to restrict political and civil liberties. In terms of foreign policy, Vietnam's complex relations with neighbouring China represent a challenge. While the two countries are ideologically similar and economically intertwined, their overlapping territorial claims in the South China Sea have permanently strained the bilateral relations.

Thanks to the dynamic economic growth, some 30 million Vietnamese have been lifted out of extreme poverty in the last decade.⁵² Despite this achievement, **further development steps** are needed to allow a sustained improvement in living conditions for broad sections of the population. Without extensive reforms to increase private investment, improve productivity and enhance efficiency in the public sector, Vietnam is at risk of falling into the middle-income trap. A lack of legal certainty is also holding back economic progress. In addition, as a consequence of the economic success, environmental pollution is increasing. The rapid and in some cases uncontrolled urbanisation and inefficient use of resources threaten the country's abundant natural capital and hinder further development.

Vietnam is an **increasingly important partner** for Switzerland. Bilateral trade volume tripled in just six years before the COVID-19 pandemic.⁵³ Swiss direct investment in the country doubled during the same period.⁵⁴ Switzerland is working towards the conclusion of an EFTA-Vietnam free trade agreement as a way of further improving the conditions for business and countering the existing discriminatory treatment of Swiss companies as opposed to EU-based companies. As part of the long-standing bilateral development cooperation, Switzerland also supports Vietnam in realising market-driven and sustainable growth. The focus of the corresponding SECO cooperation programme is on improving economic framework conditions and bolstering the competitiveness of the private sector. Switzerland's work to protect human rights and promote cooperation with the scientific community also remain key focuses of Swiss-Vietnamese relations.

51 International Monetary Fund (IMF), [World Economic Outlook](#), October 2022.

52 World Bank, [World Development Indicators](#) (Poverty headcount ratio at \$1.90 a day), 2021.

53 Federal Office for Customs and Border Security (FOCBS), [Swiss-Impex](#), 2021.

54 Swiss National Bank (SNB), [Swiss direct investment abroad](#), 2020.

Objectives and measures

VN.A Switzerland will contribute to the **protection of human rights** in Vietnam.

- VN.A1 Regularly address human rights in exchanges with government and authorities.
- VN.A2 Promote civil society participation and the protection of human rights defenders.

VN.B Switzerland and Vietnam will intensify their **bilateral economic and scientific ties**.

- VN.B1 Conclude a comprehensive and modern free trade agreement between the EFTA states and Vietnam.
- VN.B2 Coordinate deployment of all commercial diplomacy and export promotion instruments.
- VN.B3 Raise the awareness of and support Swiss businesses in dealing with legal uncertainty.
- VN.B4 Strengthen excellence-based cooperation in the area of education, research and innovation using existing instruments.

VN.C Switzerland will contribute to a **competitive private sector** in Vietnam.

- VN.C1 Promote market-driven economic conditions.
- VN.C2 Help strengthen the competitiveness of SMEs and their access to global markets.

VN.D Switzerland will contribute to **sustainable development** in Vietnam.

- VN.D1 Include a comprehensive sustainability section in the free trade agreement sought between the EFTA states and Vietnam.
- VN.D2 Promote sustainable urban development and resource-efficient production processes.
- VN.D3 Help develop a sustainable tourism sector.
- VN.D4 Conduct regular dialogue on labour and employment issues.

5.10 Brunei Darussalam

BRUNEI DARUSSALAM	
	Population: 0.4m (2021) Population growth: 0.0m (2050 forecast) Human Development Index: ranked 51/191 (2021)
	GDP: USD 14bn (2021) GDP growth: +3.1% p.a. (forecast for 2023-2027) GNI per capita: USD 31,510 (2021)
	Representation since: 2001 (honorary consulate) Swiss Community: 19 people (2021) Trade volume: CHF 1.2m (2021)

Brunei Darussalam, the sultanate located on the northern coast of the island of Borneo, is the **smallest country in South East Asia** in terms of population. It was the penultimate area in the region to gain independence, in 1984. Brunei Darussalam is an absolute monarchy and is governed according to Islamic religious principles. Its high level of development is thanks to the vast oil and gas reserves off its coast. The looming decline in the importance of fossil fuels raises questions over the country's future development. Accordingly, the government is keen to diversify the economy.

Switzerland maintains regular contact with Brunei Darussalam and is represented in the capital Bandar Seri Begawan by an honorary consul. Relations are **friendly but not intensive**. There are just a few Swiss companies in the country and only around twenty Swiss nationals live there. The crown princess of Brunei Darussalam is half Swiss on her mother's side. Together with other countries, Switzerland is working to encourage Brunei Darussalam to join the UN Convention against Torture. These efforts were triggered by the formal introduction of Sharia law in Brunei Darussalam in 2019.

5.11 Timor-Leste

TIMOR-LESTE	
	Population: 1.3m (2021) Population growth: +0.5m (2050 forecast) Human Development Index: ranked 140/191 (2021)
	GDP: USD 2.4bn (2021) GDP growth: +2.9% p.a. (forecast for 2023-2027) GNI per capita: USD 1940 (2021)
	Representation since: - Swiss Community: 9 people (2021) Trade volume: CHF 0.3m (2021)

Timor-Leste is South East Asia's **youngest state**. It gained independence from Indonesia in 2002 and became a member of the UN the same year – almost at the same time as Switzerland. Independence was preceded by a long struggle against the Indonesian occupation. Timor-Leste has successfully built a peaceful and democratic state over the past two decades, yet it still faces significant challenges with regard to economic and social development. Thanks to its oil and gas reserves, Timor-Leste is a lower-middle income country (see figure 8 in section 2.2). Despite this, it ranks low in the UN Human Development Index – 140th out of 191 countries.⁵⁵ Nearly half of the population of Timor-Leste lives under the national poverty line.⁵⁶

Bilateral relations are good but **of limited scope**. From an economic perspective, Timor-Leste is of limited importance to Switzerland. However, as a country that is committed to democracy and human rights, it is an interesting partner in multilateral diplomacy. Switzerland is keen to further expand cooperation in this area. In addition, it supports Timor-Leste with small-scale projects in the area of human rights and education and has in the past provided disaster relief. In the years ahead, Switzerland aims to continue contributing on an ad hoc basis to the economic and social development of Timor-Leste.

55 United Nations Development Programme (UNDP), [Human Development Report](#), 2021/2022.

56 United Nations Development Programme (UNDP), [Timor-Leste: Economic transformation](#), 2022.

6 Implementation partners

Switzerland pursues a **partnership-based approach** in South East Asia, in line with the UN's SDG 17. It works with numerous actors to implement the objectives and measures set out in this strategy. To this end, it maintains and promotes partnerships and networks with governments, businesses, the science community and civil society organisations. In Switzerland, the Federal Council takes a whole-of-Switzerland approach by including relevant domestic actors in the shaping and implementation of its foreign policy towards South East Asia.

Host states

The host states are **key partners** in the implementation of Switzerland's foreign policy priorities in South East Asia. Switzerland therefore values close bilateral exchange. It maintains a network of representations in South East Asia whose structure is constantly being adapted to needs and priorities (Annex 1). Besides carrying out diplomatic tasks on the ground, Switzerland also engages in high-level political discussions and fosters contact between the competent services in the relevant capital cities. The latter includes regular political dialogues and specific thematic discussions, for example within bilateral economic commissions.

The **representations of South East Asian countries** accredited in Switzerland also have an important role to play. Indonesia, Malaysia, the Philippines, Thailand and Vietnam are all represented by embassies in Bern. Meanwhile, Cambodia, Laos, Myanmar and Timor-Leste maintain bilateral relations via their permanent missions at international organisations in Geneva. Brunei Darussalam and Singapore also have permanent missions in Geneva, but prefer to maintain bilateral relations from the capital (in the case of Singapore) and from the embassy in Berlin (in the case of Brunei Darussalam).

International and regional organisations

Multilateral organisations offer an additional **platform for cooperation** with South East Asia. Switzerland is actively involved in multilateral efforts and supports the relevant organisations with expertise and resources. In addition to the regional formats described in section 4, this particularly concerns the United Nations. The UN's institutions and programmes, such as the UN Human Rights Council, serve as an instrument to promote Swiss interests in the region. Switzerland also works with the UN on the ground, for example via the Bangkok-based United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). Switzerland is careful to ensure that the multilateral organisations concerned have clear goals and scope for action so that their effectiveness and efficiency can be optimised where necessary.

Third countries

Cooperation with third countries allows the **use of synergies** in protecting coinciding interests in South East Asia. This cooperation primarily takes place via the relevant representations abroad. The focus here is on cooperating with like-minded countries to promote human rights and to take a coordinated approach towards tackling challenges in trade and investment. Within the framework of Asia consultations, Switzerland also maintains regular dialogue with third countries at capital city level, for example with Germany and the United Kingdom. It also maintains foreign policy dialogue with the EU on matters related to South East Asia.

Private sector actors

Numerous Swiss **companies** maintain trade relations with South East Asia and/or are represented through subsidiaries there. These companies create high-quality jobs and thus promote prosperity in South East Asia and Switzerland. They also play a valuable part in representing Swiss economic interests in South East Asia via the local chambers of commerce.

To achieve their goals, the companies rely not only on good economic conditions, but also a **stable environment**. Fundamental foreign policy priorities such as sustainability and peace and security are therefore also in the interests of the Swiss economy. At the same time, businesses have a key role to play in implementing these goals. The responsible departments within the federal government are keen to further strengthen private sector engagement for this purpose. As well as greater use of synergies in development cooperation, this also includes supporting private sector initiatives that are in keeping with the goals set out in this strategy. One example of this is the Trade and Sustainability Council, a dialogue format that is run by trade associations from Switzerland and Indonesia. This forum intends to enhance cooperation between businesses in both countries on implementation of the sustainability provisions set out in the economic partnership agreement between the EFTA states and Indonesia.

The emerging countries in South East Asia are also gaining importance in the field of education, research and innovation (ERI). This opens up new collaboration opportunities for **Swiss universities and research institutes** that are worldwide leaders in their fields. The Swiss representations abroad support networking with partner institutions in host countries in line with the requirements of Switzerland's International Strategy on Education, Research and Innovation. Particular emphasis is placed on promoting science-based innovation projects and the Swiss start-up scene. The Swiss Federal Institute of Technology (ETH) Zurich has been mandated as the Leading House for research and innovation cooperation with South East Asia for the period from 2021 to 2024. This programme involves the promotion of bilateral research projects and the launch of new instruments for innovation cooperation, which will bring together interested Swiss researchers and scientists from South East Asia.

Switzerland works with local, Swiss and international **non-governmental organisations** (NGOs) in many different contexts. Depending on the focus area, they are involved in development cooperation, humanitarian aid or in the promotion of human rights. Various Swiss NGOs have been active in South East Asia for many years and work closely with local civil society actors. Switzerland assesses the use of resources, coherence with its foreign policy objectives and target attainment on an ongoing basis through internal and external control mechanisms. The representations abroad are in close contact with NGOs mandated by Switzerland and therefore play a key role here.

Annex 1: Network of representations

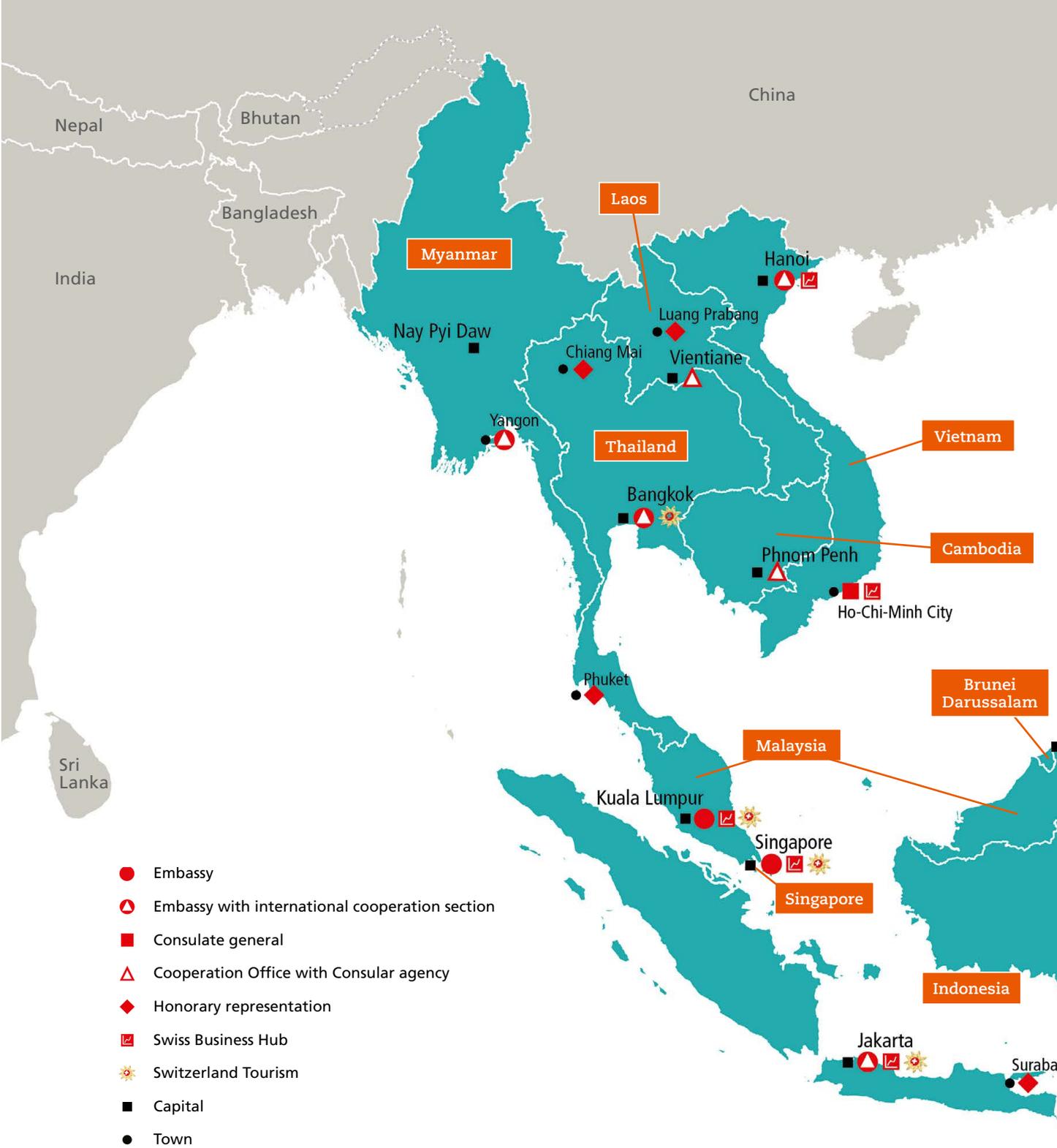
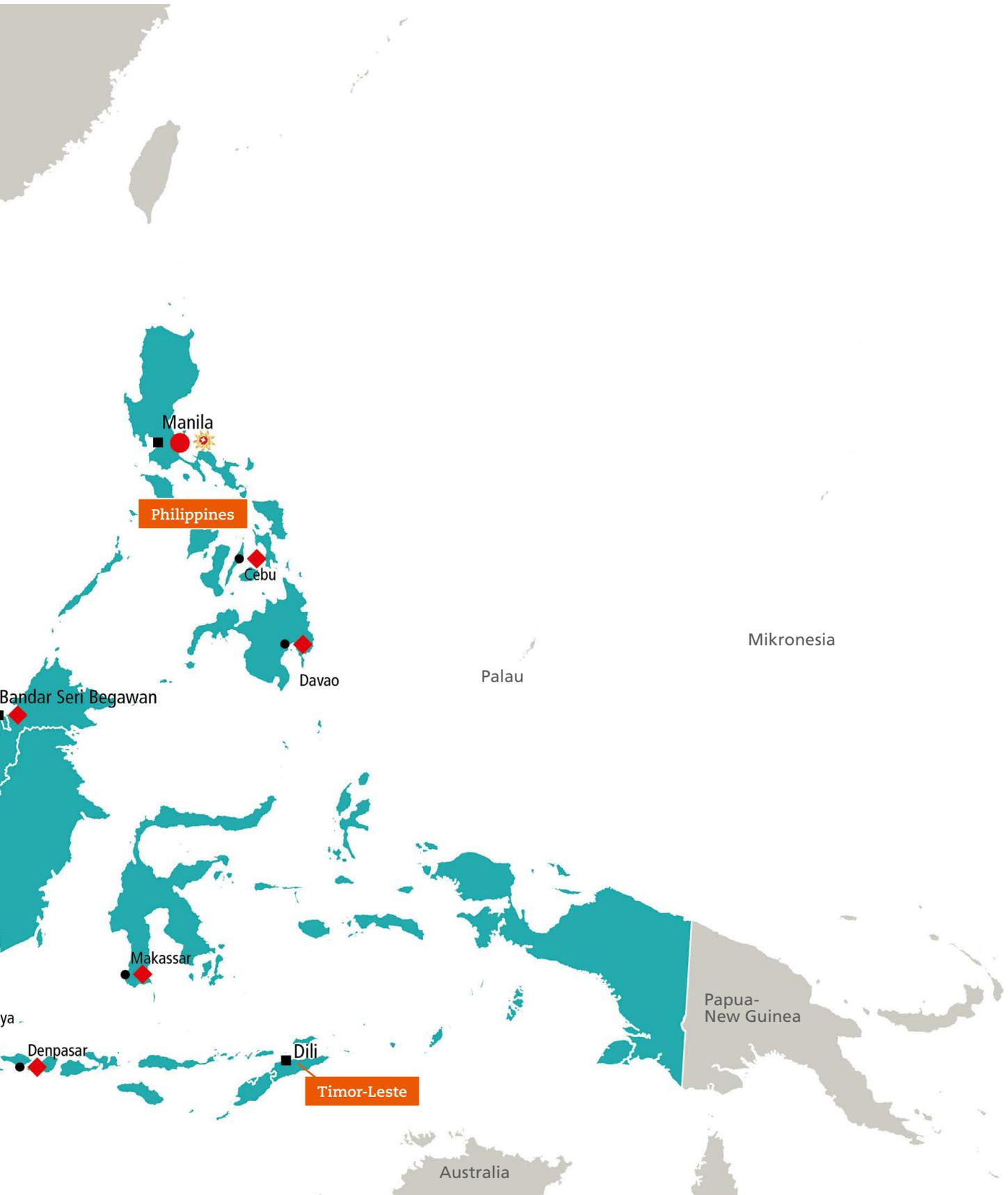


Figure 18: Network of Swiss representations in South East Asia (source: FDFA).



Annex 2: List of abbreviations

ADB	Asian Development Bank	IIMM	Independent Investigative Mechanism for Myanmar
AICHR	ASEAN Intergovernmental Commission on Human Rights	IMF	International Monetary Fund
AIB	Asian Infrastructure Investment Bank	IPEF	Indo-Pacific Economic Framework for Prosperity
ARF	ASEAN Regional Forum	LMC	Lancang-Mekong Cooperation
ASEAN	Association of Southeast Asian Nations	MRC	Mekong River Commission
ASEF	Asia-Europe Foundation	NGO	Non-governmental organisation
ASEM	Asia-Europe Meeting	OSCE	Organization for Security and Co-operation in Europe
AVIS 2028	Switzerland's 2028 Foreign Policy Vision	RCEP	Regional Comprehensive Economic Partnership
BRI	Belt and Road Initiative	SDC	Swiss Agency for Development and Cooperation within the FDFA
COVID-19	Coronavirus disease 2019	SDG	Sustainable Development Goals
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	SECO	State Secretariat for Economic Affairs
EAS	East Asia Summit	SERI	State Secretariat for Education, Research and Innovation
EFTA	European Free Trade Association	SHA	Swiss Humanitarian Aid Unit
ERI	Education, research and innovation	SME	Small and medium-sized enterprises
ETH	Swiss federal institute of technology	UN	United Nations
EU	European Union	UN ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
FDFA	Federal Department of Foreign Affairs	USD	United States Dollar
FPS	Foreign policy strategy		
G20	Group of 20		
GDP	Gross domestic product		
GESDA	Geneva Science and Diplomacy Anticipator		
GNI	Gross national income		

Annex 3: Glossary

2030 Agenda: The 2030 Agenda with its 17 Sustainable Development Goals forms a global frame of reference regarding the three inextricably linked dimensions of the environment, the economy and society. Switzerland recognises the 2030 Agenda as an important guiding framework. Although it is not legally binding, it is a means of setting policy objectives and shaping public opinion, both for domestic and for foreign policy.

AVIS 2028: The report 'Switzerland's 2028 Foreign Policy Vision' (AVIS 2028), published in 2019, was drawn up by a working group of high-ranking officials and representatives commissioned by Federal Councillor Ignazio Cassis. It serves as a source of inspiration for the FDFA's development of Switzerland's foreign policy by analysing political, environmental, technological and social drivers of change and deriving the medium-term impact on Swiss foreign policy.

Bilateralism: The practice of two parties discussing or negotiating foreign policy issues concerning their relations. If there are more than two parties involved, such discussions/negotiations are referred to as multilateralism (see 'Multilateralism').

Civil society: This comprises the parts of society that are relatively distinct from the government and private sector. It is made up of groups that have common interests, goals or values. Such groups include NGOs, non-profit associations and foundations, citizens' groups, religious organisations, political parties, professional associations, trade unions, social movements, and interest groups.

Coherence: This term denotes the greatest possible consistency and coordination between a country's different policy areas.

Cybersecurity: Cybersecurity concerns all aspects of security in information and communications technology. This includes all information technology associated with the internet and comparable networks, and incorporates communication, applications, processes and information processed on this basis. International cooperation between state and non-state actors in the area of cybersecurity aims to develop and protect an open, free and stable cyberspace. It can also reduce the risks of cyberattacks between states.

Digitalisation: Digitalisation involves the integration of all digital data and applications in society, government and business. It covers a wide range of digital applications, including new communication technologies, robotics, cloud computing, big data analytics, artificial intelligence and the internet of things. It pervades many areas of everyday life, fundamentally changing people's lives in some cases.

Foreign policy: Foreign policy shapes the relations of a state with other states and international organisations, and safeguards the state's interests abroad. It comprises various policy areas, such as trade policy, environment policy, security policy, development policy and cultural policy. In Switzerland, the entire Federal Council is responsible for foreign policy. The Federal Department of Foreign Affairs (FDFA) is responsible for coordinating foreign policy and ensuring coherence with other departments (see 'Coherence').

Good governance: Good governance describes democratic, efficient and effective governing processes for the benefit of all citizens. This includes political decision-making in transparent, participatory processes; clear division of responsibilities; effective public services; an accessible, professional, independent legal system based on the rule of law and political control exercised by a critical general public.

Good offices: This is an umbrella term to describe the efforts of a third party to peacefully settle a conflict between two or more states. Switzerland's good offices consist of three areas: protecting power mandates, Switzerland as a host state for peace negotiations, and Switzerland as a mediator and facilitator, and as a supporter of mediation and negotiation processes. Good offices range from technical or organisational support (e.g. providing a conference venue) to mediation services and participation in international peace processes.

Host state: This term describes a country that hosts foreign representations (embassies, missions, consulates) or international organisations. Switzerland – and Geneva in particular (see 'International Geneva') – hosts a multitude of international organisations.

Human rights: Human rights are inherent and inalienable rights that all people enjoy by virtue of their being human, without distinction. They are crucial to the protection of human dignity, physical and psychological integrity and are an important foundation for the development of every individual. They are guarantors of a society based on the obligation to respect the rights of the individual. They apply in both international relations and domestic politics. Human rights are universal, indivisible and closely interrelated. Every state is obliged to respect, protect and implement human rights.

Indo-Pacific: A geostrategic concept that is increasingly finding its way into the foreign policy discourse of various Western states. It is based on the idea that the Indian and Pacific oceans should be seen as a connected geostrategic area since the coastal states are increasingly interconnected.

International cooperation: International cooperation comprises all the instruments of humanitarian aid, development cooperation, peacebuilding and human security that are deployed by the FDFA and the EAER.

International Geneva: Geneva forms the heart of the multilateral system and is the location of the UN's European headquarters. Forty-two international organisations, programmes and funds, as well as 177 states and 750 NGOs are represented there. International Geneva provides some 31,000 jobs and contributes more than 11% to the GDP of the canton (1% of Swiss GDP). Around 3,500 international conferences are held in Geneva every year, the main themes of which are: 1) peace, security, disarmament; 2) humanitarian aid and international humanitarian law, human rights, migration; 3) labour, economy, trade, science, telecommunications; 4) health; 5) the environment and sustainable development.

International law: International law is the result of collaboration between states and regulates how they coexist. It underpins peace and security and aims to ensure the protection and well-being of persons. International law comprises highly different areas, such as the prohibition of the use of force, human rights, the protection of individuals during wars and conflicts, and the prevention and prosecution of war crimes, crimes against humanity, genocide, transnational organised crime, and terrorism. It also governs other areas, such as the environment, trade, development, telecommunications and transport. On account of the sovereignty of states, international law only applies for each state insofar as it has agreed to adopt certain international obligations. This excludes mandatory international law, which comprises basic standards that no state may override, such as the prohibition of genocide. International law also applies in the digital space.

International organisation: International organisations are long-term associations of at least two countries. They are entrusted with the independent performance of their own tasks and therefore have at least one body through which they act. They are generally based on a multilateral founding treaty (also called statutes or charters) which sets out their mandates and bodies.

Leading house: Under the Leading House model, selected Swiss universities are mandated by the State Secretariat for Education, Research and Innovation SERI to establish cooperation instruments for start-up financing and conduct innovative pilot projects in the field of education, research and innovation as part of bilateral programmes.

Multilateralism: Multilateralism is when issues of public interest are discussed and negotiated between more than two states. International organisations and bodies such as the UN and ASEAN are platforms for such discussions. Multilateralism allows Switzerland to achieve leverage through alliances and thereby increase its influence. If foreign policy issues are discussed or negotiated between only two parties, this is bilateralism (see 'Bilateralism').

Non-governmental organisation: Any private, non-profit organisation that operates at local, national or international level to pursue common goals and ideals with no significant state-controlled participation or representation. NGOs are part of civil society (see 'Civil society').

Peacebuilding: Civilian peacebuilding includes contributions to the prevention, mitigation and resolution of violent conflicts, in particular through confidence-building, mediation and the promotion of international humanitarian law and human rights (see 'Human rights'). Peacebuilding activities after the end of violent conflicts comprise a range of activities, including dealing with the past, contributions to promoting democratic processes and elections, and strengthening human rights. Peacebuilding creates and reinforces the conditions needed for sustainable development. It comprises both civilian and military measures.

Private sector: The private sector comprises for-profit entities in which the government or state does not hold a majority stake. In the context of this strategy, the term also includes social enterprises, impact investors and certain foundations (in particular those of multinational companies).

Science diplomacy: Science diplomacy has several dimensions and includes, on the one hand, deploying diplomacy to promote international scientific cooperation ('diplomacy for science'). On the other hand, it refers to the way in which scientific guidance can help further foreign policy goals ('science in diplomacy') as well as the use of scientific cooperation to improve relations between countries ('science for diplomacy'). Beyond this, science diplomacy is also an important approach in digital foreign policy, especially at the multilateral level.

Sustainability: Switzerland promotes sustainable development on the basis of the Federal Constitution. It uses the definition formulated by the Brundtland Commission in 1987 as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”. The principle was substantiated in the 17 goals of the 2030 Agenda in 2015 (see ‘2030 Agenda’).

Swiss Business Hubs: The 22 Swiss Business Hubs, embedded in Swiss representations worldwide, ensure the international presence of the organisation Switzerland Global Enterprise, which seeks to promote Swiss exports on behalf of the federal government.

UN Security Council: The United Nations Security Council is composed of five permanent members (China, France, Russia, United Kingdom, United States) and ten non-permanent members. It is committed to maintaining international peace and security. Switzerland is represented as a non-permanent member of the Security Council in 2023–24.

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