

DOCUMENTATION

ASEAN in APEC at a Time of Adversity and Hope

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I will begin with an understatement: The past year has been difficult for the global economy. The APEC economies have not been spared. ASEAN has not been spared. Hardly had the ASEAN economy started to recover from the financial crisis of 1997–98 than the unexpected downturn in the American economy stopped ASEAN's growth almost dead in its tracks, the American economic that is a principal market for ASEAN as for most of the world. Japan, stagnating for the better part of a decade, and the European Union, growing more slowly than expected — these two major markets for ASEAN have not been able to take up the slack.

And now, in the United States, the mass murder of so many innocent people by international terrorists. We cannot measure the loss of a single human life. We cannot put a price on a human tragedy of such magnitude as the one that occurred on 11 September. We cannot fathom the evil of the deed that caused it. ASEAN has, on several occasions, condemned this massacre and conveyed its sympathies to the American people and the families of the victims.

Nevertheless, we cannot avoid feeling the economic impact of this tragedy, which has aggravated an already bad economic situation. Some ASEAN countries, like many other countries around the world, are no strangers to terrorism. But the fact that a single series of acts of terrorism could hurt on such a scale the most powerful nation in the world has gravely diminished the sense of security of us all, a sense of security, moreover, on which much economic activity depends. And the damage done to an economy that is the leading market for the world has grievously injured us all.

This shows once again and in such tragic terms how the world has become one — in an economic no less than in a human sense. The international community's response has been not to retreat into the false

safety of isolation but to work more closely together. Against international terrorism, humanity has mustered a remarkable solidarity. In the face of continuing economic adversity, the countries of the world seek to bring down barriers to trade, investments and technology and proclaim their willingness to help the weaker among them strengthen their capacity to compete.

This is what APEC is all about. This is what ASEAN is seeking to do on a regional scale.

ASEAN's members are of the conviction that the way to overcome their difficulties of the moment and compete effectively in the world is not to wall themselves off against one another and against the world but to integrate the regional economy so as to enlarge the regional market, foster competition, achieve economies of scale, attract investments, and promote efficiency and growth. ASEAN remains open to the rest of the world. The integration of the regional economy and its continuing openness are ASEAN's supreme contribution to APEC's purposes and to the integration of the global economy.

We are creating the ASEAN Free Trade Area. Already, in the case of the six original signatories to the AFTA agreement, which are the region's leading trading nations, tariffs on 90 per cent of the products included in the AFTA process have gone down to the 0-to-5 per cent level, well before the target year of 2002. We are removing tariffs altogether on information and communications technology products over the next few years. The ASEAN Industrial Co-operation scheme has attracted a growing number of multinational companies. ASEAN has harmonized its tariff nomenclatures. We are concluding mutual recognition arrangements on a number of product groups.

We are creating the ASEAN Investment Area, within which investments are to flow freely and treated without discrimination. In fact, our leaders have directed the acceleration of its fulfillment.

We are binding the region closer together through transportation and energy linkages. We are seeking to link the countries of mainland Southeast Asia and southern China with a highway network and a railway. We have a framework agreement to facilitate the flow of goods-in-transit. We have drawn up the texts of agreements on multi-modal and inter-state transport. Master plans are being worked out for the ASEAN Power Grid and the Trans-ASEAN Gas Pipeline Network.

ASEAN has unequivocally embraced information and communications technology. Our leaders themselves signed the e-ASEAN Framework Agreement embodying that commitment. Regional pilot projects have been endorsed, several of which are in operation. Comparative studies on e-commerce laws are being undertaken. An e-readiness assessment exercise has been completed, indicating the level of each ASEAN member-country's state of readiness for the information age and containing specific recommendations for national or regional action to ascend the ladder of e-readiness.

Like APEC, ASEAN recognizes the supreme importance of the development of human resources for steady, equitable and sustainable growth. We place high priority on HRD in our co-operation both among ourselves and with others, including members of APEC.

We have been working together on the protection of the environment, including the management of coastal zones and the preservation of our region's immense bio-diversity. We have been carrying out programmes for the prevention of the periodic haze caused by land and forest fires and the mitigation of its impact should such fires occur. A landmark agreement on trans-boundary haze pollution is nearing completion.

Between 1995 and 1999, ASEAN's membership grew from six to ten. A major endeavour of ASEAN, and of its co-operation with others, is the effort to raise the level of development of the newer members and integrate them into the regional economy. A preferential trading scheme is being worked out between older and newer members. Technical co-operation is being undertaken between them. In this context, the development of the Mekong Basin, where all the new members are located, is receiving concentrated attention.

ASEAN remains open to the global economy. More than that, it is seeking to strengthen its linkages with other countries and regions, with its neighbours above all. It is in this context that ASEAN has

supported China's membership in the World Trade Organization from the beginning, seeing in China's rapid economic growth an opportunity as well as a healthy competitive challenge. It is also in this context that ASEAN is deepening its ties with China, Japan and the Republic of Korea, all APEC members, in the ASEAN+3 process. ASEAN+3 co-operation in the financial sphere is gaining momentum. The East Asia Vision Group is ready with its recommendations on how to move East Asian co-operation forward. Joint studies are being undertaken on how precisely to strengthen the economic relations between ASEAN and China and between ASEAN and Japan in the face of present challenges and in anticipation of future opportunities. A similar process is taking place between ASEAN and the Closer Economic Relations of Australia and New Zealand, both members of APEC. The United States remains a major economic partner for ASEAN.

In all of this, ASEAN is an active and willing building block for the global economic structure that APEC is helping to construct. Indeed, ASEAN was one of APEC's founders. It is, therefore, somewhat of an anomaly that three of ASEAN's members remain outside of APEC. We hope that Cambodia, Laos and Myanmar can fully participate in APEC as soon as possible.

ASEAN is dealing with the challenges of a rapidly, even suddenly changing global economy with a spirit of solidarity and singleness of purpose. It is resolved to integrate the regional economy and strengthen its economic ties to the rest of the world.

It is in this spirit that ASEAN — its members and its secretariat — takes part in APEC's work.

SOURCE: ASEAN Secretariat <<http://www.aseansec.org>>