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The Polish Institute of International Affairs (PISM)

Warsaw, 24 September 2007

“ASEAN and the EU: Partnership in a Dynamic Asia”

This year marks the 50th year anniversary of the European Union (EU), 40th anniversary of the founding of ASEAN and the 30th anniversary of ASEAN-EU Dialogue Relations. Over the last five decades, both ASEAN and the EU have been strengthened. They have developed and matured in accordance with their respective paths of growth and development. The EU has expanded its membership from a dozen to 27 states including Poland in Europe. ASEAN, upon completion of membership enlargement to embrace all 10 countries in Southeast Asia in the 1990s, has entered into a new stage of community and institutional building process.

The different approaches of ASEAN and the EU in regional cooperation and integration were dictated by differences in circumstances surrounding the need to create an organisation for the two respective regions. In short, the historical, cultural and ideological foundations that encouraged the EU's formation and created its character are different from that of ASEAN. The necessity of rebuilding the economies after World War II, the requirements of support and unity to face the Cold War threat, and the post Cold War legacies of today's world combined to make the EU a distinctive experience. From the European Coal and Steel Union, to the European Common Market, the European Economic Community, the European Community and finally the European Union, Europe went through half a century of unique experiments to minimise nationality and its portents.

At the same time, Southeast Asia underwent another experience. Uncertainty and confrontation characterised the history of the region even as ASEAN was formed and nurtured. Mutual suspicions, unsettled border demarcation issues and many other colonial legacies were the concerns of Southeast Asian nations. Nationalism and pseudo nationalist attributes caused serious difficulties for inter-state relations in the region. Wars took place and many perished. Proxies and patrons vied for geo-strategic advantages and the ASEAN agenda was dominated by moves and counter-moves to ensure sovereign independence and national survival.

Boom and Growth

Thankfully, we are now in a different era. Asia and ASEAN are being transformed everyday by the economic dynamism ushered in by the powerful forces unleashed by globalisation. The region has not only enjoyed peace and prosperity but also contains the most fast-growing economies of the world. According to the Asian Development Bank (ADB), aggregate gross domestic product for the Asian region grew in 2006 at 8.3%, the fastest since 1995. Growth was aided by a highly favourable

external environment, benign domestic circumstances, good economic management, and the fruits of reform efforts. Remarkable growth in China and India underpinned this regional expansion, with a large number of other countries enjoying various growth rates. China and India alone accounted for just under 70% of the region's expansion. In 2005, China accounted for 41% of regional economic output compared to just 35% in 2000. If this continuing growth prevails, some analysts estimated that China and India would overtake the US economy in 30 years and 50 years respectively.

Despite anticipated slowdown of international economic growth in 2007, still-robust growth of 7.6% and 7.7% for the Asian region is expected in 2007 and 2008. These projections imply that growth will move to a more sustainable footing and that overheating pressure that surfaced in 2006 will gradually ease. Falling prices of commodities in international markets, as well as vigilance from monetary authorities across the region, will help ease inflation in 2007. Asia's current account is expected to be in surplus for 2007 and 2008.

As Asia booms economically, ASEAN continues to see its growth trend goes up. ASEAN's growth is recorded at 6% in 2006 and has increased to 6.7% in Q1 of 2007. With positive and progressive changes in the region, ASEAN has not only benefited from regional growth but also faced strong competition from China and India. In order to remain competitive and fully integrated into the global economy, ASEAN Leaders have realised that ASEAN economies must be integrated quickly. A clear strategy and long-term vision is vital for ASEAN to stay competitive and relevant.

Integration and Openness

ASEAN's main objectives has its origin in the ASEAN founding declaration which are (1) accelerating economic growth, social progress and cultural development, and (2) promoting regional peace and stability. These objectives have been further refined in 1999 via the ASEAN Vision 2020, which portrays ASEAN as "a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies". In 2003, at the Bali Summit, ASEAN Leaders decided on the establishment of the ASEAN Community comprising three pillars; the ASEAN Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community.

On ASEAN economic integration, efforts have intensified since the setting up of the ASEAN Free Trade Area (AFTA) in 1992. Significant progress has been achieved since then, particularly in reducing tariffs in the trade in goods. Tariffs on 99.8 % of the products in the Inclusion Lists of ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) had been brought down to 0-5 % , while 70 % of the products traded by CLMV (Cambodia, Lao PDR, Myanmar and Viet Nam) under the Common Effective Preferential Tariff (CEPT) scheme were within the 0-5 % tariff band. Twelve priority sectors have been identified for fast-tracked integration by 2010. These include agro-based products, air travel, automotive products, ICT, electronics, fisheries, health care, logistics, rubber-based products, textiles & apparels, tourism, and wood-based products. Nine of these sectors account for over 50 % of total trade in goods among ASEAN Member Countries.

The Blueprint for ASEAN Economic Community (AEC) was developed in accordance with the ASEAN Leaders' decision to accelerate the realisation of the ASEAN Community by 2015, instead of 2020 as original planned. The AEC Blueprint has been approved by the ASEAN Economic Ministers and expected to be endorsed by the ASEAN Summit in November 2007 in Singapore.

Another landmark decision is to establish an ASEAN Charter which is expected to be signed by ASEAN Leaders at their Summit in November 2007. The ASEAN Charter will give ASEAN a legal personality and transformed ASEAN into a more rules-based organisation. It will reaffirm that ASEAN is serious about itself and intends to advance the regional agenda of cooperation and integration.

ASEAN has succeeded so far not only because of its internal cooperation and integration initiatives. The key element is the commitment to an open, inclusive and outward-looking Southeast Asia and the policy is to enable the favourable external and internal factors for peace and development in the region to be maintained. Therefore, ASEAN needs to sustain its central role in the regional multilateral architecture such as ASEAN Plus Three, the ARF, the EAS, ASEM and APEC, as well as to nurture positive relations and engagement among the major powers influencing on the region and the bigger countries of Southeast and Northeast Asia.

On extra-regional economic cooperation, Free Trade Agreements (FTAs) and various economic arrangements are also being discussed and negotiated with Australia, China, India, Japan, Republic of Korea, New Zealand, and the EU.

Cooperation and Partnership

With regard to the EU, the ASEAN-EU dialogue relations started in the early 1970s through close contact and coordination between the EEC and the Special Coordinating Committee on ASEAN (SCCAN). Initially, cooperation and consultations were mainly on trade and commercial aspects. Over the years, ASEAN-EU dialogue relations have been progressively strengthened and expanded to cover the areas of political and security, economic, socio-cultural and development cooperation.

Now, the EU has become a major trading partner of ASEAN. The EU accounted in 2006 for 12.6% of total exports from ASEAN, and 10.1% of total imports into ASEAN. Collectively, the EU countries rank first among the sources of foreign direct investment to ASEAN. As member of the EU, Poland has also played an important role in promoting the ASEAN-EU partnership. ASEAN data has shown that total trade between Poland and ASEAN Member Countries has grown from USD 805 million in 2005 to USD 1.3 billion in 2006. ASEAN's main export to Poland is electric equipment, agricultural products (rubber, coffee, tea, mate & spices, wood and articles of wood), organic chemicals, fish, and aquatic invertebrates.

The trade statistics reflected a positive interest in ASEAN from the Polish business community. Collectively, ASEAN and the EU are aware of the trade and investment opportunities and potential that existed between the two regions and the need to strive to maximise their benefits.

The consultations between the ASEAN Economic Ministers (AEM) and the European Commission Trade Commissioner, supported by their respective senior economic officials, have become the highest-level forum where trade policies and initiatives supportive of closer ASEAN-EU partnership are being discussed. The established TREATI (Trans-Regional EU-ASEAN Trade Initiative) and the recent decision to launch the ASEAN-EU FTA negotiations are characterised as important steps toward an expansion of the existing trade and investment flows, as well as to buttress the partnership

The regular ASEAN-EU Ministerial Meeting (AEMM) and the EU's participation at the annual ASEAN Post Ministerial Conferences (PMCs) contribute immensely to greater dialogue and exchange of views on key regional and international issues of mutual interest and concern.

ASEAN remains an important conduit for the EU to engage Asia. The ASEAN Regional Forum (ARF), which is the premier political and security forum in the Asia Pacific and driven by ASEAN, has provided a window for the EU to extend its political presence in the region. The EU's decision to accede to the Treaty of Amity and Cooperation in Southeast Asia (TAC) and the recent successful outcome of the Aceh Monitoring Mission reflect a strong commitment of the EU to work with ASEAN to promote peace and security in the region.

The EU is a strong supporter of ASEAN regional integration, as evidenced by the ongoing cooperation programme covering several areas, namely, Standards, Quality and Conformity Assessment, Intellectual Property Rights, Energy, Environment, Regional Integration Support, and Higher Education. The ASEAN Programme for Regional Integration Support (APRIS), now in its second phase, is an important initiative to support ASEAN's efforts in intensifying the establishment of the ASEAN Community by 2015. READI (Regional EU-ASEAN Dialogue Instrument) has been developed to cover cooperation in non-trade areas and various activities and projects are being identified and developed.

The recent adoption of the Nuremburg Declaration on an EU-ASEAN Enhanced Partnership by the AEMM is another step forward. The Declaration spells out the commitments from both sides to work closer together to strengthen and deepen the relationship in the years to come. Cooperation areas listed include political and security, economic, energy security, climate change and socio-cultural development. ASEAN and the EU are currently working together on a practical Plan of Action to implement the Declaration.

The forthcoming ASEAN-EU Commemorative Summit in Singapore on 22 November 2007 is another opportunity to reaffirm the endearing and enduring qualities of the partnership, based on mutual respect and trust, and take relationship to a new height.