

COMMISSION
OF THE
EUROPEAN COMMUNITIES

The President

THE RIGHT HON ROY JENKINS
ADDRESS TO THE CONFERENCE OF
THE ASSOCIATION OF SOUTH EAST ASIAN NATIONS
Monday 4th APRIL, 1977. Brussels

As President of the Commission, I am delighted to welcome you here today on this most important occasion in the development of the relationship between the Association of South East Asian Nations and the European Economic Community.

Over the past few years, there have been a number of conferences and seminars involving Eastern Asian and European countries. But today is the first time that the five member states of ASEAN, represented by distinguished figures from nearly all aspects of political and business life, are here together as a group to present the prospects for the economy of ASEAN, and, in doing so, the wide range of interesting business opportunities your region offers.

The high level representation at this Conference, the presence of so many ministers, ^{and} of so many other decision-makers, is very welcome to us in the Community and encouraging for the building of a growing relationship of interest and confidence.

The Association of South East Asian Nations has been slowly but firmly taking shape over the last years. We in Europe welcome this new demonstration of ^{the} cohesion of your organisation.

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Although today's meeting is primarily a gathering of bankers and financiers, it is also an opportunity for renewing political contacts. It thus has wider significance for all here involved.

As you know, the Community has over the last few years established a clear and important role in the new relationship it has developed with the African, Caribbean and Pacific States in the framework of the Lomé Convention. But this special effort does not imply that we should, or will, neglect other parts of the world, or fail to meet our responsibilities towards them. We are ready to work out and implement new arrangements to assist the expansion of other developing economies and, by so doing, to contribute to raising the living standards of their peoples.

All the parties to such arrangements must be realistic about the contributions they can make, but it is certainly with this wider focus that the Community has

approached the United Nations Conference on Trade and Development; it is ~~in this framework~~ with these ideas in mind that we prepare our position for the North/South Dialogue.

The Community's proposals in these negotiations must, of course, be based on our experience of the past few years and of the progress we have been able to achieve. In 1971 the Community was the first to introduce a generalised scheme of preferences in favour of developing countries. Its aim, in accord with the decision of the United Nations Industrial Development Cooperation Programme, was to encourage industrialisation. In consequence, the scheme originally gave preferential access to our market only for industrial products. This was a natural base. But the narrow range of exports possible, combined with shortage of capital, inevitably constrict the early stages of industrial growth. That is why, therefore, in each annual renewal of the generalised scheme of preferences, the Community has included an

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increasingly significant number of agricultural and processed agricultural products.

General world economic movements have not themselves been favourable. The oil price increases of 1973 and subsequent recession have aggravated the financial problems of most developing countries. The result is balance of payments problems and growing indebtedness. The Community has viewed this development with concern and it is prepared to make its contribution to a solution. A not insignificant part of this contribution, with which the Community has already pressed ahead, lies in the field of trade liberalisation. For example, in order to facilitate the exports of developing countries, we have given effect, as from 1st January 1977, to the tropical products offer made in the framework of the current multinational trade negotiations. This affords improved access into our market for a wider range of products.

We are conscious, however, that tariff concessions alone do not automatically ensure that the quantum of trade will increase. In themselves, they do not generate an expansion of processing in the non-industrialised world and thereby a self-sustained growth that will reduce the gap between rich and poor. In recent years, therefore, the Community has increasingly devoted money and effort to promoting the sale of products of the developing countries in our markets, mainly by assisting participation in trade fairs and missions.

Easier access to export markets for traditional products helps but the import requirements of the developing countries are so large - if growth is to be attained - that in addition to tariff concessions and export promotions, capital transfers are also needed. It is in this context that we must

judge the value of this Conference. The Community as such, and our nine MemberStates individually, contribute very considerable sums of money to the economic development of both the associated and the non-associated developing countries. But we also believe that private capital should play a more important role in this context.

The aid given to Governments is primarily intended to assist in improving infrastructure and to underpin their efforts to reach a higher degree of self-sufficiency in food production. But large amounts of capital are required for the direct efforts to develop industry which are currently taking place in the ASEAN countries.

Private capital transfers are needed. Thus jobs will be created and, to a certain extent, the conditions for transfer of technology will thereby be created.

I very much hope that the contacts made here during the next few days will bring us nearer to achieving this goal. Reliable information about ASEAN's development needs, the risks and rewards for investment and the facilities provided for technology transfers are fundamental if mutually advantageous decisions are to be taken. The Conference provides the opportunity for this exchange.

The Community has always been ready to encourage the efforts of the Governments of the South East Asian countries to achieve a greater measure of consultation between themselves. The European Community itself grew out of such a growing collaboration, and the Association, like the Community, is important for peace and political stability in its region of the world as well as for the economic development of its partners. I believe that the prospects for your success are very good indeed, and that you will achieve in the near future significant progress in economic cooperation and in building an effective free trade area.

Today's Conference provides an excellent opportunity for even more intensive cooperation between ASEAN countries and the Community. I am particularly glad to see so many Ministers here and I take it that the personal involvement of those members of governments who are directly responsible for the finance and economies of your countries will enable us to make a realistic, but I hope optimistic, assessment of the potential for cooperation between our two regions. You will no doubt allow a former British Chancellor of the Exchequer the observation that Ministers of Finance are basically realists: they have to be. It is on that basis that our peoples can be given an optimism that has substance. Do not therefore in your discussions overstate our aims, but equally resist the temptation of limiting the scope of discussions to bilateral trade.

I am delighted to open this Conference on industrial cooperation. I believe it can yield practical results, not only for the benefit of individual businessmen, but also for the general wellbeing of your countries. In this process we will be able to establish closer relations and increased cooperation between ASEAN and the Community that will be to our mutual benefit, and, I believe, to the world as a whole.