

OPENING STATEMENT OF

HIS EXCELLENCY, PROF. DR. MOCHTAR KUSUMAATMADJA,

ASEAN SPOKESMAN AND MINISTER OF FOREIGN AFFAIRS,

REPUBLIC OF INDONESIA,

AT THE ASEAN - EC MINISTERIAL MEETING,

BRUSSELS, 20 NOVEMBER 1978

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Opening Statement of
His Excellency, Prof. Dr. Mochtar Kusumaatmadja,
ASEAN Spokesman and Minister of Foreign Affairs,
Republic of Indonesia,
at the ASEAN-EC Ministerial Meeting,
Brussels, 20 November 1978

Mr. President,
Your Excellencies,
Ladies and gentlemen,

Since the ASEAN-EC dialogue was initiated in Brussels some six years ago as the first exercise in ASEAN's external relations, the joint search for a meaningful and mutually beneficial pattern of co-operation has steadily been pursued. Both sides have shown the confidence and responsibility needed in their efforts to find the right direction towards a more concrete form of co-operation.

Today a milestone has been reached in the short history of ASEAN-EC relationship. For the first time the five ASEAN Foreign Ministers are meeting with the Foreign Ministers of the nine member States of the EC and with the EC Commission in the very city where in 1972 the dialogue was started.

I am therefore pleased

I am therefore pleased and honoured to be given this opportunity to express, on behalf of my ASEAN colleagues and on my own behalf, our appreciation to the Community and for the dedicated contribution of its officials in organizing this high-level meeting. I would also like, on behalf of the ASEAN delegates, to convey my sincere thanks to you, Mr. President, for the kind words of welcome in your address and for the presence in this meeting of Mr. Roy Jenkins, President of the Commission.

ASEAN feels happy to be the first regional grouping in Asia to enter into an inter-regional discussion of this nature which I consider to be a special significance, since it reflects the increasing attention the EC is giving to its relationship with ASEAN.

We in ASEAN see the purpose of the Ministerial Meeting as two-fold: firstly, it may be possible for us through an exchange of views and ideas to define with more clarity the future pattern of ASEAN-EC co-operation thereby giving it a new direction; and secondly, that our discussions may enable us to identify areas of co-operation where we can develop relations of increased substance on the basis of equality and mutual understanding, complementing and reinforcing the existing bilateral links between the ASEAN countries and the member States of the European Communities.

In the light of

In the light of recent new initiatives and increased contacts and consultations between leaders of ASEAN member states and their counterparts ⁱⁿ ~~of~~ neighbouring countries which are bound to have a positive effect on the situation in the area as a whole, the holding of this discussion at Ministerial level with a view to establishing closer ties between the two regional groupings as a contribution to further promote peace and stability is felt as appropriate and timely.

On the other hand, although the termination in 1975 of the long Indo-China war has given rise to hope that a period of tranquility would set in for the area of South-East Asia, further events have not borne out such optimism and have led us to look at the situation with serious concern. The continuous conflict between neighbouring countries in Indo-China and the growing tension between them and outside powers are not conducive to the preservation of peace and stability in the area.

ASEAN feels that such conflicts and tensions have to be resolved in a peaceful way between the parties concerned without outside interference. The alternative would only be an escalation of the present situation into a major flare-up of hostilities that would slow down or even undo the process of rehabilitation and reconstruction that have just been started.

Any development therefore

Any development therefore, which could lead to instability is of direct concern to ASEAN as this would affect the interest of the ASEAN countries both individually and collectively. ASEAN is fully aware of the potential risks posed by such developments. It has therefore become more conscious and more firm in its determination to pursue and realize its basic objectives as embodied in the Bangkok Declaration, through the creation of a peaceful, prosperous and resilient community through collective efforts in the economic, social, cultural and scientific fields.

ASEAN has not been established as a security organization, nor is it meant to be a political bloc. It is an association which is not against any country or nation. Nor is it directed against any ideology, be it economic or political. Its basic thinking about the future remains unchanged, i.e. the commitment to do its utmost to ensure that all countries of South-East Asia, irrespective of political, ideological or social systems, may be able to co-operate in bringing peace and prosperity to their people.

It was disheartening for ASEAN that despite its repeated assurances which were substantiated by actions, a degree of suspicion has prevailed until recently amongst the Indo-Chinese and certain countries outside the region as to the real objectives of ASEAN. It is therefore encouraging to note that those misunderstandings now appear

to have been replaced

to have been replaced by a more constructive attitude on the part of those countries. They have now ^{changed} ~~reversed~~ their anti-ASEAN rhetoric into acceptance of ASEAN's aims and purposes, thereby showing understanding for ASEAN's concept of a Zone of Peace, Freedom and Neutrality.

The present favourable atmosphere in the relations between ASEAN and its neighbours may justify a feeling of confidence that their new attitude could be taken as a positive response to the hand of friendship and co-operation extended by ASEAN since the end of the war in Indo-China. This change of attitude has raised the hope that peaceful coexistence, good neighbourliness and a wider area of co-operation among all the countries of South-East Asia may eventually materialize which would be conducive to the acceleration of the economic development of the ASEAN countries.

Mr. President,

After a decade which was marked by a deliberately slow and cautious approach, ASEAN has made clear that it has the political will to develop itself into an economic grouping regionally organized but open for co-operation with the rest of the world. With the adoption of the Declaration of ASEAN Concord during the first meeting of the ASEAN Heads of Government in Bali two years ago, ASEAN

countries have now

countries have now entered into a period of intensified collaboration in basic commodities, food and agriculture, trade, industry, transportation and other areas of importance to the development of the ASEAN region.

The economies of the ASEAN nations are more or less export oriented; that is, a significant percentage of their respective domestic product is derived from trade. But trade among the ASEAN nations constitutes less than a fifth of their total trade. It is only logical and desirable to correct this, thus contributing to the strengthening of the bonds of commerce. ASEAN has taken the necessary steps to stimulate the desired intra-ASEAN trade.

An agreement of ASEAN Preferential Trading Arrangements was signed by the ASEAN Foreign Ministers at their special meeting on 24 February 1977 commemorating the first ASEAN Summit.

The Agreement provides for an overall framework to expand intra-ASEAN trade and is a significant step to accelerate economic co-operation in ASEAN. Under the Agreement, co-operation in trade will be effected through the instruments of long-term quantity contracts, purchase, finance support at preferential interest rates, preference in procurement by government entities, extension of tariff preferences, liberalization of non-tariff measures on a preferential basis, and other measures.

Rice and crude oil

Rice and crude oil are the first two basic commodities for which ASEAN countries accord preferences under the preferential trading arrangements. Products of the ASEAN industrial projects, as well as products of the approved ASEAN industrial complementation scheme shall be the subject of this preferential trading arrangements. The ASEAN countries have been negotiating the exchange of preferences. The first batch of products covering 71 items on which concessions have been agreed upon has now been increased to about 1000 product items.

To accelerate the exchange of trade preferences and to accord preferences to ASEAN products vis-a-vis similar products from non-ASEAN sources, ASEAN has agreed that future trade negotiations be focussed on the exchange of trade preferences on products with good potential for import substitution possibilities in ASEAN.

It is hoped that through the adoption of various measures intra-ASEAN trade could be increased. Notwithstanding the fact that ASEAN's combined economic growth is among the most dynamic of any developing group of nations and that it is a major source of many key products and raw materials, it cannot be denied that the ASEAN region is still being faced with economic problems of considerable magnitude. Staggering problems of rural poverty, the assurance for adequate food supply for its rapidly

growing population,

growing population, unemployment, problems of trade and commodities require solution on an international basis. In this context, ASEAN countries have also been undertaking regular consultations with each other and have adopted joint approaches to world economic problems in various fora.

In view of the vital importance of commodity matters to ASEAN, various steps have been taken to accelerate international efforts to overcome commodity problems. Priority attention has been given to the stabilization of prices and earnings of commodities produced and exported by ASEAN. In this regard, the ASEAN countries have consistently supported the Integrated Programme for Commodities, including the establishment of the Common Fund. In pursuance of the mandate contained in the Declaration of ASEAN Concord that priority should be given to commodity agreements, ASEAN has acted as a catalyst to accelerate the establishment of these arrangements for commodities, including rubber which are of interest to ASEAN.

Mr. President,

ASEAN recognizes the fact that its viability as an economic unit still depends on the extent of the co-operation from outside the region. It is, therefore, not at all strange that ASEAN has internationalized its approach to economic problems. It has recognized at a very early

stage the interdependent

stage the interdependent character of a global economy. Through the export of primary and manufactured products, access to capital, technology and management know-how of the developed countries, the ASEAN countries realized the benefits they can derive from closer relations with the major economies of the world.

ASEAN is convinced that dialogues with developed countries are important means of enhancing relations with them and constitute a framework within which the developed countries can co-operate with ASEAN in the latter's economic development. In addition to its relations with the EC, ASEAN has established formal dialogues with: Australia, New Zealand, Canada, Japan and the United States, for discussing co-operation in various fields including industry, trade and finance.

While ASEAN in its external relations has set up a pattern of working arrangements with a number of countries outside its own area the EC on its part has likewise its own relationship with other groupings beyond its region. The fact of global interdependence impels us to look for ways and means to bring about a firmer economic link-up between the two regional groupings.

ASEAN is confident that the intensification of the existing co-operation between ASEAN and the EC is

for mutual benefit of

for mutual benefit of both regional groupings for the following obvious reasons.

ASEAN offers numerous opportunities for Europe, and on the other hand Europe is a very important trade and development partner of ASEAN. The abundant resources, the large population and the strategic location of ASEAN open up greater opportunities for economic co-operation between the two regions. ASEAN offers a potential huge market of about 240 million people, which is comparable to the collective population of the EC. In terms of economic growth, for the past ten years, the ASEAN countries have been experiencing a growth of not less than 7% per annum. This is well above the average for developing countries.

With regard to raw materials and commodities, ASEAN is presently the world's largest supplier of natural rubber, tin, tropical woods, palm oil, copra and pepper, accounting for more than 75% of world exports. In addition, ASEAN is also an important exporter of mineral products. We, therefore, hope that Europe will co-operate with ASEAN in the processing of those raw materials which are available in ASEAN countries. The EC with its technological capability, management and organizational ability would be in a good position to co-operate with ASEAN in accelerating their industrialization programmes especially those relying on ASEAN's raw materials.

By locating processing

By locating processing facilities in the ASEAN region, Europe would obtain greater assurance of a stable and regular supply of raw materials. In addition, the European industries will at the same time enjoy the advantages of relatively low-cost but efficient labour. We recognize the importance of foreign investment, particularly private investments, in the development of ASEAN economies and in accelerating and diversifying their industrial capacities. In this regard, it would be in the mutual interest of the two regions, to further promote European investment in ASEAN.

For this reason ASEAN appreciates the EC's efforts to promote European investments in ASEAN and notes, in particular, the 2nd ASEAN-EC Industrial Co-operation Conference to be held in Jakarta 26-28 February 1979.

Industrialization programmes of ASEAN have been sustained resulting in the diversification of their export products. The increase of manufactured products as a result of the successful implementation of their industrialization programmes has now created the problem of access to market. In this connection, I have to reveal ASEAN's concern over measures adopted or which might be adopted by the EC which could have an adverse effect on the export of ASEAN's products to the EC. Against this background, ASEAN appreciates the EC's readiness to seek ASEAN's views prior to the imposition of such measures.

ASEAN is fully aware

ASEAN is fully aware that the EC has practical experience in the implementation of measures to stabilize export earnings of some developing countries and therefore would appreciate it if the EC would assist ASEAN in establishing a STABEX type-arrangement for ASEAN with its major trading partners. Since ASEAN is concentrating on development efforts, there will undoubtedly be a greater need for an increased transfer of technology. In this respect ASEAN expects the Community to encourage increased co-operation in various fields of science and technology between the relevant institutions in both regions.

One of the main objectives of ASEAN development policy is to raise the standard of living of the people. ASEAN countries strongly believe in individual and collective self-reliance and that the primary responsibility for their economic development lies with the ASEAN countries themselves. They also realize, however, that economic development could be greatly accelerated with the help of industrialized countries. ASEAN therefore welcomes development co-operation with industrialized countries. The realization of ASEAN industrial projects as a means to enhance self-reliance and to strengthen regional co-operation is of economic and political importance to ASEAN. It would therefore be appreciated if the EC undertakes efforts to encourage the financing of such projects from financial sources within the EC.

As said earlier,

As said earlier, ASEAN attaches great importance to this first ASEAN-EC Ministerial Meeting. ASEAN-EC relations have so far been conducted through the Joint Study Group. It is also recognized that the activities of the Joint Study Group have been very beneficial to both sides. However, it would be in the mutual interest of the EC and ASEAN to work further towards establishing a formal framework of their relations based on a co-operation agreement. Steps towards this end should be taken as soon as possible.

The need for such co-operation between the EC and ASEAN based on an equal partnership is the more evident if we think of the responsibilities that we have undertaken to provide our respective peoples with the basic guarantees of human dignity and prosperity. In the final analysis this will only contribute further to bringing peace and progress for the whole of mankind.

ASEAN feels that its confidence in the successful outcome of this meeting is being shared by the EC and that the foundations for an EC-ASEAN partnership is being laid here and now.

Thank you, Mr. President.