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SENIOR PARLIAMENTARY SECRETARY,

MINISTRY OF FOREIGN AFFAIRS

ASEAN 2020 CONFERENCE:

VISION, CRISIS AND CHANGE

SHERATON TOWERS

21 JULY 1999, 9.00 AM

"ASEAN 2020:

A New Vision for A New Generation"

Mr Simon Tay,

Chairman,

Singapore Institute of International Affairs

Distinguished Guests,
Ladies and Gentlemen,

1 It gives me great pleasure to address this Conference on ASEAN 2020 : A New Vision for a New Generation. I wish to extend a warm welcome to all the distinguished participants. This conference could not have been held at a more opportune time. As ASEAN slowly emerges from its economic troubles that substantially slowed down its growth, we now must brainstorm fresh ideas and insights to plan for ASEAN's future. I am confident if we pool our collective minds, we will at the end of this meeting come up with new and useful recommendations and proposals.

2 The emergence of ASEAN-10 reflects the determination of the countries of Southeast Asia to take control of their own destiny. As Prime Minister of Singapore, His Excellency Mr Goh Chok Tong, had said at last year's Hanoi Summit, "ASEAN needs the combined weight of its 500 million people to have its voice heard in international fora, to exercise influence in the international arena, and to compete as an economic entity against other regional economic blocs like Mercosur (in Latin America), EU, and NAFTA."

3 The Hanoi Summit last year represented an historic moment for ASEAN when our Leaders signed the Hanoi Declaration and the Hanoi Plan of Action, with a view to achieving the objectives of ASEAN Vision 2020. Our Leaders also adopted the Statement on Bold Measures. The decisions made at the Summit delivered a clear message to the international community that ASEAN was united and prepared to take the necessary measures to overcome its present problems. This is no rhetoric. Yes, there are the harsh realities to be faced, including overcoming the financial crisis, but ASEAN is determined to face them squarely, while keeping its unity uppermost in its vision.

Overview of the ASEAN Vision 2020 and the HPA

4 The Second ASEAN Informal Summit in Kuala Lumpur in December 1997, adopted the ASEAN Vision 2020 which sets out a broad vision for ASEAN in the year 2020. The vision projected ASEAN as a concert of Southeast Asian nations, outward looking, living in peace, stable and prosperous, bonded together in partnership in dynamic development and in a community of caring societies.

5 The ASEAN Vision 2020 Statement addresses political, economic and functional cooperation amongst ASEAN countries. It also incorporates matters relating to ASEAN's external relations. The Vision Statement represents a key milestone in the development of ASEAN amidst the evolving regionalism of Southeast Asia. The successful implementation of Vision 2020 will ensure that ASEAN remains relevant in the face of globalisation. This is a challenge that ASEAN has to face collectively, all the more in this turbulent period.

6 On the political front, the Vision 2020 calls for the maintenance of regional peace and security. Creating a stable environment to ensure the continued economic growth of the region becomes imperative.

7 In this context, Vision 2020 reaffirms ASEAN's support for the peaceful resolution of regional disputes, and adherence to the principles contained in the Treaty of Amity and Cooperation. ASEAN countries have also reiterated their commitment to achieving a nuclear-free Southeast Asia and pledged the continued use of the ASEAN Regional Forum as an established means for confidence-building and preventive diplomacy. Asean countries realise that the principles embodied in these concerns must permeate deep into its spirit.

8 On the economic front, the Vision aspires for an integrated economic region, with a free flow of goods, services and investments and freer flow of capital. In this regard, I am pleased to note that the Vision 2020 alludes to integration and liberalisation in financial services, professional services, telecommunications, infrastructure and utilities, science and technology and human resource development. ASEAN also realises how dynamic the economic playing field is as competition becomes sharper. Therein lies the challenge - the challenge to compete whilst staying cohesive as a regional group.

Hanoi Plan of Action (HPA)

9 The Hanoi Plan of Action (HPA) is the first in a series of action plans building up to the realisation of the goals of the Vision 2020. The HPA has a six-year timeframe covering the period from 1999 to 2004. The progress of its implementation shall be reviewed every three years to coincide with the ASEAN Summit Meetings.

10 The HPA will allow ASEAN to implement initiatives to hasten the economic recovery of the region and to address the social impact of the global economic and financial crisis. With these measures, ASEAN will be able to strive towards closer regional integration, and in the process, consolidate the economic fundamentals and social development of the Member Countries.

11 In particular, I wish to focus on 2 key areas in the HPA:

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- First, the strengthening of the region's macroeconomic and financial cooperation, particularly the financial systems. This will ensure that ASEAN becomes more resilient and adept at coping with future economic crises;

-Second, the promotion of human resource development, with emphasis on the strengthening of the region's education system. This is one area where the more developed ASEAN countries can help the poorer, less developed ones. For example, Singapore has allocated S\$12 million under the Singapore Cooperation Programme to provide about 30 undergraduate scholarships a year for ASEAN students over the next three or four years for study in Singapore. I am happy to report that the first batch of 28 ASEAN students has just started on their scholarship programme with NUS and NTU. These initiatives will signal to the international community that the ASEAN countries are prepared to help each other despite the economic crisis. After graduation, they will return to serve their respective governments.

12 However, we should be realistic and honest about how much we can achieve within a limited period of time. We should recognise our strengths and weaknesses. The HPA is not a panacea to take care of all ASEAN problems. For it to be effective, it has to be well-managed and intelligently operationalised. In short, the HPA is a precise instrument that we should use wisely and thoughtfully.

13 More importantly, ASEAN needs to ensure the steady and clear implementation of Vision 2020. This can be accelerated through the continued adherence to our commitments under AFTA. This will send a strong signal to the international community that ASEAN intends to free up and open its markets and that it is determined to continue to liberalise.

A New Vision for A New Generation

14 To achieve the objectives of Vision 2020, ASEAN must continue to stay focused on basic principles: sovereign equality, consensus decision-making, domestic non-interference, and open economies. For over 30 years, ASEAN has successfully maintained regional peace and built a sense of community. This in turn has allowed member states to focus their energies on development, while enhancing the confidence of foreign investors.

15 With the addition of Cambodia, ASEAN has finally realised the long-cherished dream of its founding fathers for an ASEAN-10. Some observers have speculated that ASEAN's expansion could make us less effective. I do not think this will be the case. There will no doubt be difficult problems of adjustment, especially given the political, religious, ethnic diversity and state of economic development of its members. However, ASEAN's diversity has always been a source of its strength. I believe that if handled with common sense, the challenges posed by enlargement can be overcome.

16 Indeed, we have witnessed both internal and bilateral differences among some of the ASEAN countries during the past couple of years. Added to this is the strain on the economies caused by the regional financial crisis. But ASEAN has shown itself to be resilient and fully capable of overcoming its economic troubles. The process of recovery might be arduous but what is important is that the economies have begun to show signs of recovery as ASEAN continues to strengthen its internal and external financial network.

17 One consistent refrain is that with ASEAN's expansion, ASEAN was in danger of developing into a two-tier organisation. We should avoid this at all costs. ASEAN would thus need to cooperate to ensure greater convergence in its economies, and work hard to find ways and means to rapidly integrate the new members into ASEAN. This is a daunting task which needs to be carried out in a systematic and coherent fashion. Ultimately, the ASEAN-10 is neither intrinsically better nor worse. It is how we make use of it to further our interests and goals that will make the difference.

18 The challenges facing ASEAN should not be taken lightly. While ASEAN's commitment to economic liberalisation is seen as the right step towards fulfilling the objectives of Vision 2020, it should continue to explore other viable options that can consolidate its future. We can do this by using the HPA as a means to match ASEAN's priorities with our Dialogue Partners' interest. Furthermore, the

HPA has, for the first time, provided ASEAN with an integrated operation plan. It is important that we are not deflected from our primary objectives. Instead, we should continually fine-tune our initiatives to move the plan forward.

19 For instance, an ASEAN Development Cooperation Forum was specially conceived as a vehicle to realise the HPA. This forum was held at the ASEAN Secretariat in May 1999 and was attended by the ASEAN member countries, Dialogue Partners, international organisations and foundations, and the diplomatic missions in Jakarta.

20 The Forum discussed a wide spectrum of development cooperation issues such as economic integration and human resource development, which served as a vital step towards the implementation of the HPA. The attendees were requested to respond to ASEAN's requirements and to fit their development cooperation plans with ASEAN's priorities under the HPA.

21 The HPA has also been discussed at fora such as the ASEAN Eminent Persons' Group (EPG) Meeting on Vision 2020 in June in Singapore. The EPG was the brainchild of PM Goh which was endorsed by the ASEAN Heads of Government in Hanoi last year. At the coming 32nd AMM/ARF/PMC in Singapore, the HPA will again be the common theme for discussions at both the PMC 10+10 and PMC 10+1 sessions.

22 The Vision 2020 Statement and HPA are important compasses that provide ASEAN with a comprehensive guide on how to proceed into the next century. The in-depth discussion of these two documents during this 2-day Conference is indeed timely, and sets the stage for the upcoming PMC sessions in Singapore.

23 I am optimistic that the discussions during this Conference will bring fresh ideas and perspectives to move the ASEAN Vision 2020 forward. I am encouraged by the quality of the pool of intellectuals at this meeting. They will surely enter into stimulating and interesting exchanges on the topics in the meeting agenda. Last but not least, I hope that this Conference will help to emphasise the need for concrete steps, to promote ASEAN awareness in the international community.

24 In conclusion, I wish all of you success in your endeavours and a fruitful and constructive meeting. Thank you.

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