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**WELCOME ADDRESS BY MR PETER SUNG,
ACTING MINISTER FOR FOREIGN AFFAIRS AT
THE OPENING OF 13TH ASEAN-AUSTRALIA FORUM, SINGAPORE,
17-18 MAY 1990 AT 9.00 AM**

I am happy to be here this morning to extend to you a warm welcome to Singapore to attend the 13th ASEAN-Australia Forum.

We live in momentous times. The world is undergoing significant political and economic changes with far-reaching implications for all countries - big and small. The accelerating pace of change is re-shaping the political and strategic landscape of the world.

- (a) The dramatic developments in the Soviet Union and Eastern Europe have led them into a period of uncertainty as they grapple with the transition to democracy and a market economy.
- (b) The rapprochement between the superpowers and the resultant easing of East-West tensions mean that they can now devote more attention towards improving their economies.
- (c) Western Europe is also moving towards greater integration with a reunited Germany and the establishment of the Single European Market.
- (d) In the Asia-Pacific, the dynamism of the economies in the region has created opportunities for closer economic links. The first Ministerial Meeting to

explore the possibility for Asia-Pacific Economic Cooperation (APEC) was held successfully in Canberra in November 1989. The next meeting will be held in Singapore in July this year.

All these developments present both ASEAN and Australia with challenges as well as new opportunities.

- (a) ASEAN and Australia have to contend with the growing trend towards protectionism and the move towards the promotion of trading blocs such as the Single European Market and the US-Canada Free Trade Area.
- (b) They will also have to face an international environment which is increasingly focused on developments in Eastern Europe. The preoccupation with Eastern Europe could result in the major industrial economies paying less attention to our part of the world.
- (c) The developments in Europe, however, present ASEAN and Australia with the prospects of new markets and opportunities for trade and investment.

ASEAN and Australia can meet these challenges and profit from the opportunities thrown up by the dramatic developments in Europe and elsewhere by strengthening our economic cooperation.

I am glad to note that Australia has played an important role in promoting cooperation with ASEAN. Australia was the first developed country to establish institutional relations with ASEAN in the form of a Forum. Australia has co-operated with ASEAN on issues of vital interest to us.

- (a) For example, for many years now, Australia has been giving support to the ASEAN position on Cambodia. However, a durable, just and comprehensive solution to the situation in Cambodia continues to elude us.

Vietnam and some of the Cambodian parties involved are still not ready for a political settlement. We should continue our efforts to reach such a settlement.

(b) On international economic issues, ASEAN and Australia have displayed a large measure of agreement. We are in close cooperation and consultation through the Regional Consultative Meeting on the Uruguay Round and the Cairns Group. ASEAN and Australia, as countries dependent on trade, wish to see a comprehensive and successful outcome of the Uruguay Round to contain protectionism, especially in the developed markets. ASEAN and Australia will continue to press for a positive outcome on traditional issues of market access like tariffs, non-tariff measures, agriculture, tropical products and textiles and clothing in the Uruguay Round. These issues are significant to ASEAN but their progress in the negotiations is far slower than those issues which are of interest to the developed countries.

(c) I am glad to note that ASEAN and Australia are also working closely together to promote enhanced Asia-Pacific Economic Cooperation (APEC). Australian Prime Minister Mr Bob Hawke has made a significant contribution to the APEC process by taking the initiative to hold the First APEC Ministerial Meeting in Canberra in November 1989. ASEAN and Australia are supportive of the APEC process because it is aimed at maintaining and strengthening the multilateral trading system under GATT. A free and open multilateral trading system is vital to the economies of ASEAN and Australia as we are both dependent on access to world markets.

Despite the close cooperation between ASEAN and Australia, there remain areas for improvement.

(a) Trade between ASEAN and Australia has increased significantly over the past ten years from A\$2.9 billion in 1980/81 to A\$6.7 billion in 1988/89, representing 7% of Australia's global trade. However, it is disappointing to note that Australia's trade with its traditional trading partners (viz Japan, EC, US) and with the Asian newly industrialised economies (NIEs) (viz, Hong Kong, South Korea and Taiwan) have grown at a faster rate than with the ASEAN member countries. ASEAN's exports to Australia have continuously faced stringent import regulations such as import licensing; labelling, packing, health and safety standards; quarantine restrictions; and anti-dumping and countervailing actions. I sincerely hope that Australia will respond positively to ASEAN's requests to liberalise trade with the ASEAN countries.

(b) The flow of Australia's investment to ASEAN has also dropped by an average of 8.7% over the last 6 years while its investment in most countries increased. For example, Australian investments in UK, New Zealand, USA and other OECD countries markedly increased by 57%, 42%, 35% and 54% respectively. ASEAN's share of Australian investment abroad has also dropped from 13.4% in 1979 to only 2.3% in 1987. We need to pay attention to measures to arrest this trend.

During the last 16 years, ASEAN and Australia have widened their cooperative efforts from development cooperation to trade. ASEAN and Australia are now poised to embark on new areas of cooperation to give greater substance to their relationship. The

new areas are environment, telecommunications and education and training.

(a) In the field of environment, the issue of environmental degradation and the necessity to preserve the global ecological balance have gained greater attention in recent years. We have to ensure that the environment is preserved and enhanced not just for us but also for future generations. I am glad that ASEAN and Australia are exploring the possibility of cooperation in this field. I am sure that given Australia's experience and expertise, particularly in environmental technology, as well as ASEAN's own experience in this field, cooperation can lead to concrete results. ASEAN can also demonstrate that the principle of sustainable development can be integrated with the strategy for economic growth.

(b) On telecommunications, I am glad to note that Australia has taken the initiative to include this subject in the agenda of the Forum. The telecommunication sector is seeing rapid progress and advances in technology with some developments even outpacing the human capability to exploit the new opportunities being created. There is thus a need for greater coordination and cooperation among countries in the Asia-Pacific region to maximise benefits. I am sure that this Forum would provide another useful exchange of views in this area.

(c) In the field of education and training, the relationship between Australia and ASEAN countries is long-standing. Australia has also taken the initiative to discuss at the Forum further cooperation on education and training. The areas proposed include overseas students policies, marketing of education services, exchange of

academic and research personnel, institutional links, collaborative research projects and other areas of mutual benefit. I must commend Australia for taking this initiative to enhance ASEAN-Australia cooperation in this vital area of human resource development.

I am also pleased to note that ASEAN and Australia have recognised the importance of the contribution of the private sector for the promotion of trade and investment between ASEAN and Australia. The private sector first took part in the ASEAN-Australia dialogue at the 12th Forum in Perth in May last year. This year, the private sector has been invited to lead in the deliberations on how trade and investment could be expanded between ASEAN and Australia. I welcome the trend towards greater private sector participation in the ASEAN-Australia dialogue as, in the final analysis, it is the private sector that would really seek out the business opportunities and expand the economic links between ASEAN and Australia.

Finally, I would like to express ASEAN's deep appreciation for the valuable contribution made by Australia in the area of development cooperation. Over the past sixteen years, under the ASEAN-Australia Economic Cooperation Programme (AAECP), Australia has expended more than A\$100 million for projects implemented in all ASEAN countries. The Programme has contributed to the building up of a core of trained personnel and a pool of essential knowledge and data in various fields as well as the acquisition of advanced technology and equipment. ASEAN has also gained from the close interaction and ties developed among the professionals and officials of both sides. I am also happy to note that Phase II of the AAECP which began in 1989 is being implemented smoothly.

In conclusion, may I wish the delegates an enjoyable and fruitful meeting and a pleasant stay in Singapore.

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