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# *Singapore Government*

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### **THE THIRD EUROPE-ASIA FORUM, 14-15 APRIL 2000** **SHANGRI-LA HOTEL, SINGAPORE**

**ADDRESS BY THE GUEST-OF-HONOUR PROFESSOR S  
JAYAKUMAR MINISTER FOR FOREIGN AFFAIRS AND  
MINISTER FOR LAW, SINGAPORE AT THE OPENING DINNER ON  
14 APRIL 2000, 7:30pm**

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Dr Horst Teltschik, Mr Hsuan Owyang, Your Excellencies, Ladies and  
Gentlemen,

1 Four years ago, the 16 leaders of the European Union and 10 of the leaders of East Asia held their first summit in Bangkok, Thailand. That summit launched the process of building a new and comprehensive partnership between East Asia and Western Europe. The process is known as the Asia Europe Meeting or ASEM. Six months from now, ASEM will be holding its third summit in Seoul, Korea. This is therefore an opportune moment for us to share our thoughts on the achievements of the past four years and the prospects of ASEM III.

## The Raison d'être for ASEM

2 What was the raison d'être for launching ASEM? To put it simply, our leaders launched ASEM four years ago because they believed that closer engagement between the governments, economies and peoples of Asia and Europe was in our mutual interest. They were also united by a common vision: to build a peaceful and prosperous multipolar world and a world of cultural diversity.

3 Is that raison d'être still valid today? I would argue that it is. During the East Asian economic crisis of 1997-1998, there were people in Europe who wondered whether East Asia would rise again. Today, no one can doubt that East Asia is bouncing back. Many challenges still remain. But, East Asians are determined to overcome their difficulties and to recapture the momentum of their steady rise in the world economy.

## The Economic Rationale

4 Let me share with you a few salient facts which not many of our Asian and European friends may be aware of. There are 10 Asian countries in the ASEM family. In 1965, the combined strength of the 10 Asian economies accounted for only 9% of world GDP. In 1975, their share had gone up to 15%. By 1996, East Asia had caught up with the United States, each accounting for 25% of the world economy. I suspect that not many Europeans are aware of this fact or of the fact that in 1996 the two-way trade between the EU and East Asia was greater than the two-way trade between the EU and the US. In the same way, because America's image looms so large in Asia, I suspect that not many Asians are aware that the EU economy is larger than that of the US. The European Union accounted for 29% of the world economy. The economic benefit of a closer engagement between East Asia and the European Union is therefore based upon irrefutable facts.

## Towards a Multipolar World

5 The partnership between Asia and Europe is, however, not just about economics. It is also about geo-politics and the balance of power in the

world. From 1945 to 1990, we lived in a bi-polar world. With the end of the Cold War, we have been living in a unipolar world. This phase is, however, not likely to endure. The world is likely to evolve in this century towards a multipolar world with the US, the European Union, East Asia and Latin America as four poles. In time, Russia could emerge as another pole. East Asia and the European Union should therefore cooperate to facilitate the world's transition from a unipolar to a multipolar one. Ambition must be matched by responsibility. Europe and Asia must therefore be prepared to play a larger and more proactive role, in partnership with the United States, to maintain world peace and prosperity.

### The Challenge of Globalisation

6 Asia and Europe face many common challenges. One of the most important is the challenge of globalisation. Trade, investment, a global capital market, the mobility of human talent and the wonders of information and communication technology are the drivers of globalisation. Globalisation is an irresistible force which is revolutionising the way we work, live and play. Globalisation is making national boundaries increasingly porous. Globalisation creates many new opportunities but it also poses many challenges.

### A World of Cultural Diversity

7 Asia and Europe cannot turn their back on globalisation or the world will pass them by. We must brace ourselves to embrace globalisation, to seize the opportunities of the new economy and to overcome the challenges. Asians and Europeans therefore have no choice but to live in a globalised world. We do not, however, want to live in a world dominated by one culture, with its attendant values and lifestyle. Instead, we want to live in a world of cultural diversity. Asia and Europe are the homes of many rich cultures and civilisations. We have much to contribute to the multi-cultural world which we wish to create. This is another commonality which unites us.

### ASEM III

8 Let me now turn to the ASEM summit which will be held in Seoul this

October. The summit is an opportunity for us to ascend to a higher peak. What are the possible deliverables of Seoul? ASEM has three pillars: business and economics, people to people cooperation and political dialogue. I will therefore examine the possible deliverables of each pillar.

### The First Pillar: Business and Economics

9 In the field of economics, there are two possible deliverables. The first is for all ASEM countries to strongly reaffirm their commitment to the multilateral trading system. They should work towards a consensus to launch the millennium round of the WTO. I am assuming that China's accession to the WTO would be completed before Seoul. The failure of the talks in Seattle was a setback to the process of trade liberalisation. International trade has contributed more to world prosperity and has emancipated more people from poverty in the developing countries than anything else. Those who are insisting on linking trade to social conditions mistakenly think that poverty is a trading advantage. Seattle has also emboldened the protectionists and the anarchists. We must not allow them to prevail. It would be very good for the WTO if we could achieve a strong consensus in Seoul to support trade liberalisation and to launch the millennium round of multilateral trade negotiations.

### Upgrading the Business Forum

10 The second deliverable is to strengthen the existing Europe-Asia Business Forum. The Business Forum was set up with the objective of encouraging businessmen from Asia and Europe to interact with each other and discuss ways to expand their economic links. However, there is a sense that we must re-energise the Business Forum and make it worthwhile for businessmen from our two regions to meet. European and American business leaders meet regularly in an institution called the Transatlantic Business Dialogue. The business leaders make recommendations to the governments of the two sides of the Atlantic which have accepted many of them. In the same way, APEC has established the APEC Business Advisory Council which consists of three business leaders from each economy. In upgrading the Business Forum, we need not re-invent the wheel. We can learn from the best practices of the Transatlantic Business Dialogue and the APEC Business Advisory Council and create an institution combining the best features of

both.

## The Second Pillar: People-to-People Cooperation

11 The ASEM process reflects a reality of the contemporary world: the importance for government, business and civil society to work together. This was the inspiration which led the ASEM Leaders to establish the Asia-Europe Foundation (ASEF). The mission of ASEF is to bring greater linkages between people in Asia and Europe. During the past three years, ASEF has implemented over 50 projects, creating new networks, building bridges, opening minds and anchoring the new partnership between Asia and Europe in the hearts and minds of Asians and Europeans. Those who have benefited from ASEF's projects include high school and university students, young parliamentarians, young entrepreneurs, university professors and think-tankers, forestry officials, journalists, artists, young leaders and elder statesmen.

## Education and EARN

12 What are the possible deliverables in this sector at ASEM III? One possible deliverable is in the field of education. The world economy is going through a paradigm shift, from the old economy to the new economy. In the new economy, knowledge and creativity are the two most important assets. If Asia and Europe wish to prosper in the new economy, they must fundamentally reform their education systems.

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13 We must also improve the links between education institutions in our two regions and encourage a greater exchange of students between our universities. Many Asian students go to universities in the US, even though Europe has many world class universities, in Germany, France and the UK. Likewise, European students do not come to Asian universities, except to study Asian languages. This imbalance must be redressed. That is why Singapore proposed the creation of ASEM Education Hubs. The main idea is to encourage universities in our two regions to exchange students for a period of one or two semesters.

14 I am therefore very pleased that ASEF is convening a high-level conference in Luxembourg, in May, on the theme: "Education For The Knowledge-Based Economy". In November 1999, ASEF convened a successful conference at INSEAD, in Fontainebleau, which brought together about 60 universities from Asia and Europe. They agreed to create the Asia Europe Education and Research Network or EARN. Fifty-eight universities have agreed to participate in EARN, by offering new scholarships to attract talented students from the other region. They also agreed to examine the feasibility of exchanging teachers and undertaking joint research. ASEM III could adopt a declaration on education, as proposed by the Asia-Europe Vision Group, launch EARN and a new ASEM Scholarship to support EARN.

### The Third Pillar: Political Dialogue

15 The third pillar in ASEM is political dialogue. In our view, the political dialogue is essential for the long term success and viability of ASEM. We cannot allow the political pillar to lag behind the other two pillars. At the same time, the issue of political dialogue is an issue that must be handled with sensitivity and patience. We must allow the political dialogue to evolve gradually, starting with issues which unite us rather than those which divide us.

### Analogy with ARF

16 Let me draw an analogy between ASEM's political dialogue and the ASEAN Regional Forum (ARF). When the ARF first started, the forum was new, the comfort level was low and there were many doubts and suspicions. We therefore began with relatively innocuous topics. However, as ARF matures and the comfort level rises over time, it has been able to deal with increasingly substantive and even controversial subjects, such as the Korean peninsula, India and Pakistan's nuclear testing, the South China Sea and the bombing of the Chinese Embassy in Belgrade. At the ARF Ministerial Meeting, held in July 1999 in Singapore, the meeting also gave the green light for Singapore to prepare a concept paper on preventive diplomacy.

17 I am not predicting that agreement can be reached quickly on preventive diplomacy. But it would be an incremental step forward when ARF countries are able to undertake substantive discussions on preventive diplomacy and to flesh out proposals on preventive diplomacy to move the ARF process in the right direction. In the ARF, the process is as important as the eventual outcome, and the process is a confidence building measure in itself. But we should bear in mind that if discussions on preventive diplomacy are to serve this purpose, countries must be sensitive to each other's concerns.

### Track I

18 In the same way, ASEM's political dialogue should begin with global political and security issues which are of concern to all ASEM partners, such as, nuclear non-proliferation, UN reform, international organised crime, drug trafficking, piracy at sea, computer and internet crime, money laundering, etc. As the comfort level rises, we can gradually include more controversial issues on our agenda. The political dialogue between Asia and Europe must be conducted on the basis of mutual respect and mutual learning.

19 On the issue of political dialogue, we must bear in mind that the goal is to build mutual understanding. So, the manner in which the dialogue is conducted is as important as the substance of the issues discussed. When I chaired the ASEM Foreign Ministers' meeting in Singapore in February 1997, the issue of how to conduct the political dialogue was one of the most important issues that I had to resolve. We eventually agreed on certain guidelines that provide a broad framework for political dialogue within ASEM. One of the key guidelines is that we should raise issues that pull ASEM countries together, not pull us apart.

### Track II

20 In the meantime, controversial issues can be discussed in Track II. In the case of the ARF, it has successfully used its Track II institution, the Council for Security and Cooperation of the Asia Pacific or CSCAP, to discuss issues which are not ready to be discussed on Track I. ASEM should

regard ASEF as its Track II institution. ASEF has, for example, convened meetings to discuss Myanmar, good governance, whether trade should be linked to social conditions, the merit and demerit of the Draft Declaration on Human Responsibilities, etc. It is noteworthy that China hosted the Second ASEM Informal Seminar on Human Rights in Beijing in June last year. One possible deliverable in this area is for ASEM III to encourage ASEF to play a more pro-active role in enhancing the political dialogue between Asians and Europeans.

### The ASEAN-EU Strategic Relationship

21 There is another pillar that underpins the broader relationship between Asia and Europe. This is the ASEAN-EU Dialogue. ASEM is like a club consisting of the 15 EU countries, the European Commission and 10 Asian countries. The ASEAN-EU Dialogue, on the other hand, is a partnership between two regional organisations, which dates back to 1977. Over the years, cooperation and understanding between ASEAN and the EU have deepened. ASEM, in a sense, was possible because the foundation of the relations between the two regions was already strong.

22 It has been unfortunate that there is an impasse in this relationship over Myanmar. This impasse led to the cancellation of the ASEAN-EU Foreign Ministers' Meeting in Berlin in March 1999. It is a pity because these meetings had taken place every two years since 1978. ASEAN and the EU must find a way to re-launch the dialogue. On this note, I understand that there have been some recent discussions by the EU. It is a good sign that the EU is still keen to engage ASEAN and taking a more strategic perspective of the Dialogue. I hope that we can come to an agreement to hold the AEMM as soon as possible. This is an outcome that will serve the best interests of both our regions.

### Conclusion

23 I shall conclude. We must look at ways to strengthen the linkages and cooperation between our two important regions of the world. The strategic rationale for a closer partnership between Asia and Europe is compelling. We are two of the oldest civilisations in the world. Contacts between Asia and Europe can be traced back to at least one millennium. As we begin the third millennium, let us continue our journey together, inspired



by a common vision and sharing a common road map. Asians and Europeans will benefit from closer economic cooperation. Our two peoples will be enriched by greater cultural and educational exchanges. Finally, better mutual understanding and stronger cooperation between Asia and Europe will contribute to the making of a more balanced, peaceful and prosperous world.

**MINISTRY OF FOREIGN AFFAIRS**  
**14 APRIL 2000**

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