

**KEYNOTE ADDRESS BY  
YAB DATO' SERI ABDULLAH AHMAD BADAWI AT THE BANK NEGARA EURO  
CONFERENCE AT LE MERIDIEN HOTEL, KUALA LUMPUR  
14 JULY 2005**

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*"ENHANCING THE ASEAN – EU STRATEGIC PARTNERSHIP"*

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD EVENING

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EXCELLENCIES

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. IT IS A SPECIAL HONOUR FOR ME TO BE HERE TO ADDRESS THIS GATHERING OF STRATEGIC THINKERS IN THE GLOBAL ECONOMIC AND FINANCIAL FIELDS FROM THE EAST AND THE WEST. IN LIGHT OF THE THEME OF THIS CONFERENCE, "EXPANDING ASEAN-E.U. ECONOMIC LINKS – THE ROLE OF THE EURO", I AM CERTAIN THAT ALL OF US HERE APPRECIATE THE GREAT IMPORTANCE ATTACHED TO EXPANDING THE RELATIONSHIP BETWEEN ASEAN AND THE E.U.. I AM CONFIDENT THAT THIS MEETING WILL PROVIDE NEW INITIATIVES FOR CLOSER PARTNERSHIPS THAT WILL INEVITABLY CONTRIBUTE POSITIVELY TO A STRONGER, MORE STABLE AND MORE PROSPEROUS GLOBAL ECONOMY.

2. THIS YEAR, ASEAN AND THE E.U. COMMEMORATE 25 YEARS OF DIPLOMATIC RELATIONS SINCE THE ASEAN-EUROPEAN COMMUNITY COOPERATION AGREEMENT WAS SIGNED IN KUALA LUMPUR. HOWEVER, RECORDED HISTORY BEARS TESTIMONY TO A COMMERCIAL RELATIONSHIP THAT BEGAN ABOUT 500 YEARS AGO. WHEN THE FIRST EUROPEANS ARRIVED IN SOUTHEAST ASIA DURING THE 16TH CENTURY, THEY MARVELED AT ITS PROSPERITY, AND LOST NO TIME IN TAKING ADVANTAGE OF THE STRATEGIC LOCATION OF COASTAL STATES TO FACILITATE A THRIVING TRADE IN SPICES AND OTHER ESSENTIAL ITEMS BETWEEN THE EAST AND THE WEST. UNDOUBTEDLY, THE COMMODITIES AS WELL AS THE ECONOMIC AND FINANCIAL LANDSCAPE OF THE REGION ARE SIGNIFICANTLY DIFFERENT TODAY. NEVERTHELESS, THE REGION HAS CONTINUED TO REMAIN OPEN TO TRADE AND INVESTMENT, AND IS WELL INTEGRATED INTO A RAPIDLY GLOBALISED WORLD.

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3. THE IMPORTANCE OF THE SOUTH EAST ASIAN NATIONS HAS ALWAYS HAD A CLEAR BEARING ON ITS STRATEGIC WEIGHT WITHIN THE GLOBAL ARENA. WITH THE FORMATION OF ASEAN IN 1967, THE REGION HAS FLOURISHED AS A HUB FOR INCREASED WEALTH-CREATING POSSIBILITIES. ASEAN, WHICH BEGAN AS A GROUPING OF FIVE COUNTRIES, WAS INITIALLY ESTABLISHED PURELY OUT OF POLITICAL NECESSITY. AT PRESENT, THIS GROUPING HAS DOUBLED IN SIZE, AND TODAY WE BEAR WITNESS OF THE IMPACT OF EFFORTS IN THIS TRAIL OF INTEGRATION. MANY FRONTIERS HAVE ALREADY OPENED UP WITHIN ASEAN WHILE WIDER STRATEGIC OPPORTUNITIES CONTINUE TO EMERGE. AND, IT IS WITH PERSISTENCE THAT ASEAN CHARGES AHEAD TO LEVERAGE ON THESE FAVOURABLE ELEMENTS TO SECURE A MORE ASSURED FUTURE.

4. THE REALITY IS THAT THE ABILITY OF ASEAN TO ADVANCE FURTHER HAS BECOME MORE EVIDENT FOLLOWING THE ASIAN FINANCIAL CRISIS. RESTRUCTURING AND REFORM EFFORTS UNDERTAKEN IN BOTH THE ECONOMIC AND FINANCIAL SECTORS HAVE BEEN INSTRUMENTAL IN CONTRIBUTING TO THE GREATER ROLE OF ASEAN IN THE GLOBAL LANDSCAPE. FOR INSTANCE, THE ECONOMIC GROWTH OF THE ASEAN FIVE, WHICH COMPRISES INDONESIA, MALAYSIA, THE PHILIPPINES, SINGAPORE AND THAILAND, IS NOW ABOUT TWO TIMES THAT OF THE ADVANCED ECONOMIES. COMPARED WITH 1990, THE LEVEL OF G.D.P. PER CAPITA OF THE ASEAN FIVE HAD ALMOST DOUBLED IN 2004.

5. ONE OF THE KEY FACTORS UNDERPINNING THE ROBUST GROWTH PERFORMANCE IS MIRRORED IN A HIGH DEGREE OF ECONOMIC INTEGRATION BETWEEN THE REGION AND THE REST OF THE WORLD, IN TERMS OF VOLUME OF TRADE AND INVESTMENT FLOWS. EXPORT PERFORMANCE, IN PARTICULAR, HAS TAKEN ON AN ADDED SIGNIFICANCE AS THE MOMENTUM OF INTRA-REGIONAL TRADE HAS ACCELERATED OVER THE LAST SEVERAL YEARS, IN PART STEMMING FROM HIGHER DOMESTIC DEMAND.

6. RECOGNISING THE IMPORTANCE OF GREATER INTEGRATION IN ORDER TO ADVANCE TO NEW HEIGHTS, THE LEADERS OF ASEAN SIGNED THE DECLARATION OF ASEAN CONCORD II IN 2003, A DOCUMENT THAT LAYS THE FOUNDATION FOR AN ASEAN COMMUNITY BY 2020. SOME OF THE EFFORTS CURRENTLY UNDERWAY HINGE AT CREATING AN ASEAN SECURITY COMMUNITY, AN ASEAN ECONOMIC COMMUNITY AND AN ASEAN SOCIO-CULTURAL COMMUNITY. KEY ECONOMIC INITIATIVES TO ACHIEVE THE ASEAN ECONOMIC COMMUNITY INCLUDE THE ALREADY EXISTING AND DEVELOPING ASEAN FREE TRADE AREA (AFTA), ASEAN FRAMEWORK AGREEMENT ON SERVICES (AFAS) AND ASEAN INVESTMENT AREA (A.I.A.). IN 2004, ACTION PLANS WERE ALSO ADOPTED FOR THE ASEAN SECURITY COMMUNITY AND THE ASEAN SOCIO-CULTURAL COMMUNITY. GOING FORWARD, IT IS ENVISIONED THAT THE FUTURE EAST ASIAN COMMUNITY WILL BE AN INTEGRAL EXTENSION OF THE ASEAN COMMUNITY.

7. NOTWITHSTANDING SOME OF THE ACHIEVEMENTS TO DATE, ONE MAY STILL BE TEMPTED TO ASK: WHAT ARE THE PROSPECTS FOR ASEAN IN THIS ERA OF GLOBALISATION?. TO THIS, I AM INCLINED TO SAY THAT THE OUTLOOK CONTINUES TO REMAIN POSITIVE. INCREASED ECONOMIC AND FINANCIAL INTEGRATION, REINFORCED BY GREATER REGIONAL COOPERATION, WILL RESULT IN AN ASEAN THAT IS MORE MUTUALLY-REINFORCING IN TERMS OF GROWTH AND DEVELOPMENT. THUS, THE BEST CONTRIBUTION THAT ASEAN CAN MAKE TO THE WORLD ECONOMY IS TO CONTINUE ITS RECORD OF SUSTAINABLE GROWTH AND ROBUST TRADE FLOWS, ANCHORED ON SOUND MACROECONOMIC MANAGEMENT.

8. AS IT IS, THE STRENGTH OF ASEAN TODAY HAS ENABLED IT TO ENGAGE MORE EFFECTIVELY WITH OTHER COUNTRIES AND REGIONS TO GENERATE INCREASED MUTUAL BENEFITS AND CONTRIBUTE TO GLOBAL PROSPERITY AND STABILITY. AS AN OPEN AND OUTWARD LOOKING GROUPING, ITS DIALOGUE PARTNERS HAVE GROWN FROM FIVE IN THE 1970'S TO THE CURRENT ELEVEN. FREE TRADE AGREEMENTS ARE BEING NEGOTIATED WITH INDIA, KOREA, JAPAN AS WELL AS AUSTRALIA AND NEW ZEALAND, WHILE AN AGREEMENT ON GOODS WITH CHINA HAS RECENTLY BEEN CONCLUDED. ON THE FINANCIAL FRONT, SINCE THE CRISIS, ASEAN HAS PLAYED A PIVOTAL ROLE IN CONTRIBUTING TO STRONGER REGIONAL FINANCIAL STABILITY, AND HAS ENGAGED THE PLUS THREE COUNTRIES OF JAPAN, KOREA AND CHINA IN THE PROCESS. OF SIGNIFICANCE, THE CHIANG MAI INITIATIVE (C.M.I.) WAS ESTABLISHED IN 2000, FOLLOWED BY THE LAUNCH OF THE ASIAN BOND MARKET INITIATIVE TO DEVELOP A REGIONAL BOND MARKET IN EAST ASIA.

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9. AT THIS JUNCTURE, I AM HAPPY TO NOTE THAT AMONG ASEAN'S MANY DIALOGUE PARTNERS, THE E.U. IS CERTAINLY ONE OF OUR OLDEST. AS A MATTER OF FACT, INFORMAL DIALOGUE RELATIONS BEGAN EVEN BEFORE THE ASEAN DIALOGUE PARTNERSHIP SYSTEM WAS FORMALLY DEVELOPED. BY AND LARGE, THE RELATIONSHIP HAS EVOLVED FROM A PREDOMINANTLY ECONOMIC ONE INTO A PARTNERSHIP THAT NOW PUTS FORWARD A HOST OF OTHER ISSUES INCLUDING ENVIRONMENTAL PROTECTION, TERRORISM AND TRANSNATIONAL CRIME.

10. INDEED, I SEE THE RELATIONSHIP BETWEEN ASEAN AND THE E.U. AS AN ALMOST IDEAL PARTNERSHIP. WE HAVE ABOUT THE SAME MAKE-UP IN TERMS OF LARGE MEMBERSHIP OF OUR TWO GROUPINGS, AS WELL AS SIMILAR POPULATIONS OF OUR RESPECTIVE REGIONS, WITH ASEAN COMPOSED OF ABOUT 550 MILLION PEOPLE AND THE E.U., OVER 450 MILLION PEOPLE. ASEAN IS WELL ON THE WAY TO CLOSER INTEGRATION, WHILE THE E.U. HAS CERTAINLY SHOWN THE WAY IN TERMS OF THEIR INTEGRATION EFFORTS. WE SEE BOTH SIDES PRACTISING AN ENLIGHTENED SPIRIT OF OPENNESS, MUTUAL CONFIDENCE AND UNDERSTANDING, WHICH PERVADES ALL OF OUR DIALOGUE AND COOPERATION EFFORTS. ALL THAT IS LEFT IN THIS ALMOST IDEAL PARTNERSHIP IS TO MOVE FORWARD ON OUR RELATIONSHIP, BY PUTTING IN PLACE THE RIGHT STRATEGIES AND MECHANISMS TO REALISE OUR VISION, OUR HOPES AND OUR ASPIRATIONS.

11. FOR EXAMPLE, IN ORDER TO FURTHER EXPAND BILATERAL TRADE AND INVESTMENT FLOWS, BOTH ASEAN AND THE E.U. INTRODUCED THE TRANS-REGIONAL E.U.-ASEAN TRADE INITIATIVE (TREATI) IN 2003, WHICH LAYS THE GROUNDWORK FOR THE DEVELOPMENT OF A FUTURE F.T.A.. MOREOVER, FOR NON-TRADE RELATED ISSUES, IT IS ENVISAGED THAT THE ALREADY ENDORSED REGIONAL E.U.-ASEAN DIALOGUE INSTRUMENT WILL QUICKLY SET IN MOTION SPECIFIC ACTION PLANS TO BENEFIT BOTH SIDES.

12. THE CURRENT STATUS OF TRADE, F.D.I. AND THE INITIATIVES TAKEN TO EXPAND THESE LINKS FURTHER, CLEARLY ILLUSTRATE THAT WE HAVE YET TO FULLY REALISE ALL THE OPPORTUNITIES THAT OUR TWO REGIONS OFFER EACH OTHER. EXISTING GAPS IN KNOWLEDGE OF THESE OPPORTUNITIES ARE COMPOUNDED BY A FRESH SET OF CHALLENGES BROUGHT ABOUT BY THE SIGNIFICANT WAVE OF TRANSFORMATIONS THAT BOTH ASEAN AND THE E.U. ARE CURRENTLY EXPERIENCING.

13. NONETHELESS, I BELIEVE THAT THE PREVAILING TRANSFORMATIONS AND KEY CHARACTERISTICS OF OUR TWO REGIONS POINT TOWARDS A STRONG STRATEGIC PARTNERSHIP IN THE FUTURE – A PARTNERSHIP THAT WILL BE ABLE TO GENERATE INCREASED MUTUAL RETURNS. ULTIMATELY, THIS WOULD CONTRIBUTE TO STRONGER GROWTH AND GREATER STABILITY IN THE GLOBAL ECONOMIC AND FINANCIAL ENVIRONMENT, INCLUDING THE INTERNATIONAL MONETARY SYSTEM.

14. ALLOW ME TO SKETCH THE LONG-TERM POSITIVE EFFECTS THAT I TRUST WILL EMANATE FROM OUR STRATEGIC PARTNERSHIP:

- FIRST, THERE IS LATENT POTENTIAL FOR FURTHER TRADE CREATION IN GOODS AND SERVICES BETWEEN THE ROBUST ASEAN AND THE ENLARGED E.U.;
- SECOND, THERE IS POTENTIAL FOR DEVELOPMENT COOPERATION IN NON-TRADE RELATED ISSUES, PARTICULARLY GIVEN THE EXPANDING BASE OF THE SERVICES SECTOR IN ASEAN;
- THIRD, THERE IS POTENTIAL FOR AN INTENSIFICATION OF F.D.I. FLOWS BETWEEN THE REGIONS, WITH ASEAN ALSO SEEKING TO STEADILY INCREASE ITS INVESTMENTS IN THE E.U.;
- FOURTH, THERE IS POTENTIAL FOR FURTHER POLITICAL AND SECURITY COOPERATION; AND,
- FIFTH, WITH THE OPENING OF VARIOUS SECTORS IN OUR RESPECTIVE ECONOMIES, THERE ARE CONSIDERABLE OPPORTUNITIES FOR COLLABORATION WITH RESPECT TO THE TRANSFER OF KNOWLEDGE, SKILLS AND CAPACITY BUILDING.

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15. ASEAN AND THE E.U. SHOULD WORK HARD TO TAKE ADVANTAGE OF THE GROWING ECONOMIC OPPORTUNITIES THAT EXIST NOW, AND THOSE THAT WILL COME ABOUT IN THE FUTURE. HOWEVER, WE MUST FIRST ACKNOWLEDGE THAT THE STRATEGIC RELATIONSHIP WE HAVE CANNOT REMAIN AT THE PRESENT LEVEL, OR WE RISK IT BECOMING LESS RELEVANT TO THE NEEDS OF OUR PEOPLES. A STRONGER PARTNERSHIP CANNOT BE ACHIEVED BY LEAVING THINGS TO CHANCE. WE NEED TO SET OUR EYES FARTHER AFIELD AND LOOK AT HOW TO ADVANCE INITIATIVES THAT WILL HAVE A BROADER BENEFIT TO BOTH REGIONS AS A WHOLE.

16. IN OUTLINING MY THOUGHTS ON WHAT CAN BE DONE TO TAKE THIS STRATEGIC PARTNERSHIP FORWARD, I WISH TO PUT FORTH THREE KEY MESSAGES. THESE ARE:

- FIRST, THAT IT IS TIMELY FOR US TO BROADEN AND DEEPEN OUR ECONOMIC AND FINANCIAL TIES;
- SECOND, THAT WE SHOULD WORK TOWARDS A MORE FLEXIBLE RELATIONSHIP AND BE HIGHLY ATTUNED TO DEVELOPMENTS IN THE PARTNER REGION; AND,
- THIRD, THAT WE SHOULD SEEK TO ENSURE A STRATEGIC ORIENTATION FOR THE EXPANSION OF OUR ECONOMIC AND FINANCIAL RELATIONS.

17. ON MY FIRST POINT ON BROADENING AND DEEPENING OUR ECONOMIC AND FINANCIAL TIES, LET ME STATE AT THE OUTSET THAT IT IS IMPORTANT FOR 'WIN-WIN' SITUATIONS TO CONTINUE TO REMAIN THE MAINSTAY OF OUR ONGOING PARTNERSHIP. WITH THIS IN MIND, BOTH SIDES NEED TO CONTINUOUSLY SEEK TO IDENTIFY EMERGING OPPORTUNITIES FOR MUTUAL GROWTH AND BENEFIT. WHILE ASEAN HAS EMERGED AS A STRONGER AND MORE STABLE SOURCE OF GROWTH, I BELIEVE THAT ITS POTENTIAL HAS YET TO BE FULLY UNCOVERED BY THE E.U.. THE RESERVOIR OF OPPORTUNITIES THAT CAN BE OFFERED BY A ROBUST ASIAN REGION, INCLUDING ASEAN AND THE RISING ECONOMIC POWERS OF CHINA AND INDIA, SHOULD NOT BE IGNORED.

18. THUS, THE WAY FORWARD MUST COMPRISE A HOLISTIC APPROACH WITH COOPERATION NOT ONLY BEING CONFINED TO THE DIVERSIFICATION OF TRADE PRODUCTS AND INVESTMENT SECTORS, BUT ALSO ON INTENSIFYING COOPERATION IN OTHER AREAS, INCLUDING FINANCE, HEALTH, ENERGY, SCIENCE AND TECHNOLOGY, CUSTOMS, TRANSPORT, MARITIME SECURITY, TOURISM AND EDUCATION. FOR THIS PURPOSE, WE NEED TO WORK SWIFTLY AND EFFECTIVELY ON FINALISING THE IMPLEMENTATION MODALITIES AND MECHANISMS UNDER TREATI AND READI. IN WORKING TO DEVELOP THESE FRAMEWORKS, GREAT CARE IS REQUIRED TO ENSURE THAT THEY FACILITATE PROGRESS, AND NOT BE RESTRICTIVE AND COMPLEX.

19. I ALSO BELIEVE THERE IS GREAT MERIT IN PUSHING FOR GREATER INVOLVEMENT OF THE PRIVATE SECTOR OF BOTH OUR REGIONS IN THE DIALOGUE PROCESS. THERE IS A NEED TO EFFECTIVELY HARNESS THE ENTREPRENEURIAL TALENT OF THE BUSINESS SECTORS IN ORDER TO PROMOTE INCREASED F.D.I. AND THE ESTABLISHMENT OF STRATEGIC JOINT VENTURES AND ALLIANCES. THIS WOULD PAVE THE WAY FOR THE PRIVATE SECTOR – INCLUDING MULTINATIONALS AS WELL AS SMALL AND MEDIUM-SCALE ENTERPRISES (S.M.E.'S) – TO BECOME A STRONG ENABLER IN FORGING CLOSER ECONOMIC RELATIONS BETWEEN THE TWO REGIONS.

20. MY SECOND POINT, WHICH IS THE NEED TO WORK ON A MORE FLEXIBLE RELATIONSHIP AND BE HIGHLY ATTUNED TO DEVELOPMENTS IN THE PARTNER REGION, IS CRUCIAL IN VIEW OF THE RAPIDLY CHANGING CIRCUMSTANCES ON THE DOMESTIC FRONT AS WELL AS IN THE GLOBAL ENVIRONMENT. CONCERTED EFFORTS NEED TO BE DIRECTED AT ENSURING THAT A FLEXIBLE APPROACH IS ADOPTED IN OUR DIALOGUES, WHICH TAKES INTO ACCOUNT THE PREVAILING STAGE OF DEVELOPMENT IN OUR RESPECTIVE REGIONS AND THE RESOURCES THAT BOTH SIDES ARE ABLE OR WILLING TO COMMIT. HENCE, IT WOULD BE IN OUR BEST LONG-TERM INTEREST TO SUBMIT TO A MORE BINDING AND EGALITARIAN FRAMEWORK THAT CONSTRAINS HEGEMONIC BEHAVIOUR. IN LIGHT OF THE PROPOSED OVERHAUL OF THE E.U.'S GENERALISED SYSTEM OF PREFERENCES (G.S.P.), WE IN ASEAN WOULD CERTAINLY APPRECIATE THE ASSURANCE THAT SHOULD THE NEW SYSTEM COME INTO FORCE, IT WOULD BE MORE DEVELOPMENT-FRIENDLY TO THE DEVELOPING NATIONS.

21. THE CURRENT E.U. STRATEGY TOWARDS ASEAN OUTLINES 26 AREAS FOR FUTURE COOPERATION. WHILE THIS IS INDEED WELCOMED, EFFORTS MUST BE MADE TO ENSURE THAT THE COOPERATION MEETS THE NEEDS OF BOTH SIDES. A WORKING PLAN COULD BE DEVELOPED TO IDENTIFY THE SHORT, MEDIUM AND LONG-TERM PRIORITIES BASED ON ASEAN'S DEVELOPMENT AND INTEGRATION NEEDS AS WELL AS THE E.U.'S REQUIREMENTS. IN ADDITION, THERE IS A NEED TO EVALUATE THE TYPES OF COLLABORATIVE PROJECTS AT THE ASEAN AND THE E.U. LEVELS THAT WILL HAVE SIGNIFICANT VALUE-ADDED, COMPARED WITH BILATERAL COOPERATION WITH INDIVIDUAL COUNTRIES.

22. ALLOW ME THEN TO MOVE ON TO MY THIRD POINT, WHICH IS TO ENSURE A STRATEGIC ORIENTATION FOR THE EXPANSION OF OUR ECONOMIC AND FINANCIAL TIES. AS MANY OF YOU ARE AWARE, THE VERY RECENT PROPOSAL BY ASEAN AND THE E.U. TO CREATE A HIGH-LEVEL 'VISION GROUP' TO STUDY THE FEASIBILITY OF NEW INITIATIVES TO EXPAND ECONOMIC TIES IS INDEED A COMMENDABLE EFFORT. NEVERTHELESS, IN DRAWING UP THE SPECIFIC PROPOSALS, WE NEED TO TRANSCEND MERE TALK AND RHETORIC, AND ENSURE THAT COHERENT AND PRAGMATIC STRATEGIES ACTUALLY PASS THROUGH TO THE IMPLEMENTATION PHASE.

23. IN ADDITION, THE STRATEGIC ORIENTATION FOR THE SUSTAINABILITY OF THIS RELATIONSHIP MUST BE GEARED TOWARDS A CONTINUOUS REVIEW OF ITS KEY PRIORITIES, SO THAT IT REMAINS RELEVANT AND MUTUALLY-BENEFICIAL. THUS, IT MAY BE USEFUL TO ASSESS IF THE EXISTING INSTITUTIONAL

FRAMEWORK WITHIN THE E.C-ASEAN AGREEMENT IS BEING EMPLOYED OPTIMALLY. GOOD MANAGEMENT AND COORDINATION OF PRIORITIES CAN SAVE RESOURCES AND DIVERSIFY OPTIONS FOR BETTER GROWTH AND STABILITY.

24. TO INCREASE THE AWARENESS OF OUR COOPERATION, IT IS IMPERATIVE FOR US TO MAKE OUR PARTNERSHIP MORE VISIBLE NOT ONLY TO GOVERNMENT CIRCLES, BUT TO A WIDER COMMUNITY OF PEOPLE IN BUSINESS AND ACADEMIA, THE MEDIA AS WELL AS THE GENERAL POPULACE. THUS, IT IS EQUALLY IMPORTANT THAT WE LOOK AT HOW TO ENHANCE INFORMATION FLOWS AT ALL LEVELS, SO THAT MORE PEOPLE BUY INTO THIS IMPORTANT PARTNERSHIP.

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25. THE FLEXIBILITY TO EVOLVE HAS BEEN PROVEN TO BE A HALLMARK OF SUCCESSFUL PARTNERSHIPS. IN ORDER TO EVOLVE, PARTNERSHIPS ALSO NEED THE CAPACITY TO RESOLVE CONFLICTS. IN THIS REGARD, THE CROSS-FERTILISATION OF IDEAS AND EXPERIENCE THROUGH CLOSER CONSULTATION WOULD DEEPEN MUTUAL UNDERSTANDING OF THE ISSUES AT HAND, AS WELL AS UNLOCK THE CREATIVITY AND ENERGY FOR FURTHER COLLABORATION. AS STRATEGIC PARTNERS, THERE SHOULD NOT BE ANY HESITATION TO DISCUSS DIFFICULT ISSUES. WHILE WE NEED TO TAKE NOTE OF DIFFERENCES, WE MUST ALWAYS SEEK FLEXIBLE AND AMICABLE SOLUTIONS.

26. IT STANDS TO REASON THAT IN ORDER TO ENSURE LONG-TERM SUSTAINABILITY OF THIS PARTNERSHIP, BOTH PARTIES NEED TO KEEP ABREAST OF THE LATEST DEVELOPMENTS IN THE PARTNER REGION AND HAVE THE ADAPTABILITY TO EMBRACE FUTURE CHALLENGES. ASEAN IS AWARE OF THE CHALLENGES THAT THE E.U. FACES IN TERMS OF INTEGRATION AND THE IMPENDING ROUNDS OF EXPANSION. WHILE WE NEED TO REMAIN VIGILANT OF FUTURE DEVELOPMENTS, EFFORTS MUST BE DIRECTED AT ENSURING THAT THE STRATEGIC PARTNERSHIP THAT HAS ALREADY BEEN FOSTERED WOULD NOT BE JEOPARDISED BY ANY NEGATIVE IMPLICATIONS THAT MAY ARISE FROM ANY SITUATION.

27. AS A FINAL NOTE, I WISH TO REITERATE THAT THE NEXUS OF FACTORS POINT TO THE FACT THAT IT IS OPPORTUNE FOR US TO UNDERTAKE THIS ENTERPRISE OF ENHANCING THE ASEAN-E.U. STRATEGIC PARTNERSHIP. WE ARE BOTH REGIONS OF OPPORTUNITY. THUS, IT IS IMPORTANT THAT WE MAKE THE RIGHT CHOICES TO REALISE A VIRTUOUS CIRCLE OF PROSPERITY. IT IS SAID THAT IF YOU WANT TO BE INCREMENTALLY BETTER, YOU MUST BE COMPETITIVE; IF YOU WANT TO BE EXPONENTIALLY BETTER, YOU MUST BE COOPERATIVE. IN THE FINAL ANALYSIS, IT IS ABOUT HOW COMMITTED AND HOW INVOLVED WE WISH TO BE IN STRENGTHENING THIS COOPERATION AND PARTNERSHIP. WHEN THE WORK IS HARD, THE PROPER RESPONSE IS NOT TO RETREAT. WE MUST ACKNOWLEDGE DIFFICULTIES AND YET INSIST ON MEETING OUR GOALS. TOGETHER, WE MUST BUILD CONSENSUS FOR A SUSTAINABLE AND BETTER FUTURE.

THANK YOU.