

**STATEMENT BY
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"CREATING A BETTER UNDERSTANDING OF ASEAN - US RELATIONS"

Ms. Vishakha N. Desai, President of the Asia Society,

Excellencies,

Distinguished Guests, Ladies and Gentlemen.

Firstly, I wish to commend the Asia Society for organising this Forum today, and secondly I wish to thank them for inviting me to speak on this occasion. Let me begin by extending my deepest sympathies to the people of the United States, especially to the families and loved ones of the victims of Hurricane Katrina. We are really shocked by the magnitude of the disaster, and we fully empathize with the agony of the victims and the American people as a whole. We know their suffering because it was not so long ago that the ASEAN region similarly suffered the consequences of a Tsunami.

Ladies and Gentlemen,

2. I view the ASEAN-US Dialogue as a very important relationship for ASEAN countries ever since its establishment in 1977. The political reasons are obvious. The United States is a super power with a global reach. The United States has a history of direct military involvement in Southeast Asia, and presently it has bilateral security treaty relationships with some members of ASEAN and other countries in neighbouring East Asia. The statistics will show that the United States is also a very important economic partner. The only downside is the fact that the impressive economic figures represent essentially the sum total of bilateral exchanges rather than a reflection of United States economic engagement with ASEAN as a group.

3. Cumulatively speaking, the United States is ASEAN's largest trading partner. ASEAN's total trade with the U.S in 2004 was USD 128 billion, compared to USD 111.3 billion in 2003, which reflects an increase of 15.08%. The U.S is also one of the largest foreign investors in ASEAN. In terms of cumulative investments, the U.S has invested USD 35.7 billion in the ASEAN region between 1995 and 2003. These figures testify to the importance of the cumulative total of economic engagements between ASEAN countries and the United States.

Ladies and Gentlemen,

4. Although the ASEAN-U.S Dialogue relations is 28 years old this year, I feel this partnership still suffers a considerable problem with expectations which do not match. ASEAN expects the United States to be an important strategic economic and development partner as much as it is an important diplomatic partner. The United States, on the other hand, gives a higher priority to ASEAN as a strategic partner for political and regional security purposes. The only strong meeting point is the recognition by both sides of the relevance and relative importance of the relationship in the context of the dynamics of Southeast Asian regional security, regional diplomacy and regional prosperity.

5. Clearly, both sides need to work hard to erase the lingering perception that, in the Dialogue process, the agenda is conditioned more by United States' interests rather than those which bring true mutual benefits to both sides. This perception must not be allowed to linger. To change the situation, all efforts must be made to put more economic substance into the relations between ASEAN as a group and the United States as a Dialogue Partner.

6. In this regard, I am happy to say that certain encouraging steps have been taken. For instance, the U.S-initiated ASEAN Cooperation Plan or A.C.P, announced in Brunei Darussalam in 2002, is progressing well. The A.C.P, however, is focussed mainly on trans-national issues such narcotics, piracy, terrorism, disaster management, environment and HIV/AIDS, including support to ASEAN integration initiatives and strengthening of the ASEAN Secretariat. It is our hope that the success of the ACP will encourage the United States to use it as a model to expand its support to ASEAN in the area of development cooperation.

7. We are happy to note that the U.S had also announced, in 2002, the Enterprise for ASEAN Initiatives (E.A.I), which opened prospects for negotiating bilateral free trade agreements (F.T.A) between the U.S and individual ASEAN countries who are W.T.O members. The U.S now has a F.T.A with Singapore and it is currently engaged in F.T.A negotiations with Thailand. It also has Trade and Investment Framework Agreements (TIFA) with Indonesia, Philippines, Thailand, Brunei Darussalam and Malaysia. The U.S is completing TIFA negotiations with Cambodia.

8. On the political and security front, we in ASEAN do acknowledge that the active U.S participation in the ASEAN Regional Forum (A.R.F) has enhanced the effectiveness of the A.R.F as a regional security Forum, and as a promoter of cooperation in the wider Asia Pacific region. The A.R.F has contributed to the promotion of greater transparency and mutual understanding on issues pertinent to regional peace and stability. It has made regional states more aware of each others' strategic concerns and more conversant with the dynamics and realities of the security environment.

Ladies and Gentlemen,

9. I have already expressed the view that the Dialogue between ASEAN and the United States has yet to reach its full potential. May I say that, to improve the Dialogue, the United States has to listen more to ASEAN's concerns and aspirations. The United States must also make efforts to appreciate the "ASEAN way" of conducting business, which may at times appear slow and sluggish to the United States.

10. Allow me to elaborate on the question of the "ASEAN way". First and foremost, the United States must recognize the cultural diversity among ASEAN countries. They are also at different levels of economic, social and political development. ASEAN has always adopted the step-by-step approach, which is moving at a pace comfortable to all. The ASEAN comfort level has been established as a result of the common observance of certain fundamental values and principles. These include mutual respect for national sovereignty, equality and territorial integrity as well as non-interference, peaceful settlement of disputes, renunciation of the threat or use of force, effective regional cooperation and decision making by consensus.

11. It may appear difficult to comprehend the utility of the values and principles I have just outlined. But, I wish to state that it is because of these shared values and principles that ASEAN has remained intact, united, relevant to the region and still going strong since its establishment in 1967.

Ladies and Gentlemen,

12. Let me next make some comparisons with some relatively new dialogue partnerships which have in fact made better substantive progress. Take for instance, the ASEAN relationship with China which began as late as 1991 when Malaysia invited China to be its Guest at the 24th ASEAN Ministerial Meeting in Kuala Lumpur. It became a full Dialogue Partner of ASEAN in 1996. In another case, with India, the full Dialogue Partner status was established only in 1996, four years after India became a Sectoral Dialogue Partner of ASEAN.

13. Both China and India have now emerged as important economic players in their partnerships with ASEAN, offering many opportunities. Talks to establish an ASEAN-China Free Trade Area is well underway. Similarly, the F.T.A talks with India are making progress. In fact, there are moves to establish F.T.As with other Dialogue Partners namely the Republic of Korea, Australia, New Zealand and Japan. The U.S however seems content to move only in the direction of bilateral F.T.A.s instead of engaging ASEAN as a group in this respect. ASEAN can, and should, be viewed as a single market and production base. After all, the whole ASEAN region is now a Free Trade Area for ASEAN member countries.

14. I must also mention the fact that China, India, Japan, Korea, Russia, New Zealand and Pakistan have all become signatories of the Treaty of Amity and Cooperation in Southeast Asia (TAC). Australia is expected to do the same in December this year. The T.A.C is a very important and key document in the life of ASEAN. The values and principles which have provided the comfort level in the relations between and among ASEAN countries are in fact enshrined in that Treaty. We would like to invite the United States to consider acceding to the T.A.C. Such a step would indeed serve as a symbol of political commitment to the region by the United States.

Ladies and Gentlemen,

15. I believe I speak for all ASEAN member countries when I say that the U.S is a valued partner of ASEAN. The time is ripe to look to the future, especially in the context of ASEAN's commitment to establish the ASEAN Community by 2020. I would therefore like to offer some views on the way forward for ASEAN-US relations. Following are some ideas which I hope will receive further consideration and discussion by all concerned. They are:

- Promote better understanding of the 'ASEAN Way' of conducting regional cooperation and diplomacy;
- Match the priorities between ASEAN and the United States;
- Accede to the Treaty of Amity and Cooperation in Southeast Asia;
- Increase the frequency of ASEAN-US Dialogue sessions which now meets only once every 18 months;
- Give equal emphasis to all sectors of cooperation;
- Enhance the level of economic cooperation between the U.S and ASEAN, including instituting a regional Trade and Investment Framework Agreement with ASEAN as a group;
- Expand the ASEAN Cooperation Plan (ACP) to include more cultural and people-to-people exchanges;
- Contribute to the newly established ASEAN Development Fund (ADF), which supports the implementation of regional integration activities and the narrowing of development gaps among ASEAN members. This will particularly benefit the newer members of ASEAN. Contributions are also welcomed from the private sector, foundations and organisations;
- Encourage greater exchange of visits including at the level of Ministers, businessmen, academicians, students and the members of the media;
- Create public awareness on ASEAN-US relations through the use of the mass media, such as showing programmes or documentaries on U.S television;
- Last but not least, encourage links with the ASEAN Foundation that was established specifically for the purpose of creating awareness of ASEAN especially via social exchange programmes.

16. Ms. Desai, President of the Asia Society, Excellencies, Ladies and Gentlemen, I thank you for your attention.