

**SPEECH BY
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AT THE ASEAN-CHINA COMMEMORATIVE SUMMIT
AT NANNING, CHINA
30 OCTOBER 2006**

His Excellency Wen Jiabao
Premier of the State Council of the People's Republic of China,

Her Excellency Gloria Macapagal Arroyo
President of the Philippines and Chair of the ASEAN Standing Committee,

His Majesty Hassanal Bolkiah
Sultan of Brunei Darussalam and
Country Coordinator for ASEAN-China Dialogue relations,

Fellow ASEAN Leaders,

The Secretary General of ASEAN,

Excellencies, Ladies and Gentlemen,

It is indeed a great pleasure for me to be here today at this Commemorative Summit to celebrate the 15th Anniversary of ASEAN-China Dialogue relations. I would like to extend my sincere appreciation and thanks to His Excellency Wen Jiabao and the Government of the People's Republic of China for the warm and generous hospitality accorded to me and the members of my delegation since our arrival in this beautiful city of Nanning.

2. We thank China for hosting this special commemorative summit, to mark fifteen years of friendship and cooperation which was formally launched in 1991 and developed into a full dialogue partnership in 1996. We have faced many challenges together including the Asian financial crisis in 1997, during which we convened the First ASEAN-China Summit.

3. Over the years, the level of trust and confidence between ASEAN and China grew from strength to strength. This has contributed substantially to the sustaining of regional peace, stability, progress and prosperity.

4. Malaysia has always viewed China as a very important strategic partner for ASEAN. China is both an important source and destination of trade and investment. China is also an important global player which can exert much influence not only on regional but also international peace and security.

5. As a partner for peace and progress, we take due note of the fact that China was second only to Papua New Guinea when China acceded in 2003 to the Treaty of Amity and Cooperation in South East Asia. The T.A.C is a primary diplomatic instrument governing interstate relations within ASEAN and also between ASEAN and its non-ASEAN partners. We believe that China's early accession provided the impetus for other important dialogue partners to follow suit. Indeed, ten countries have since acceded to the T.A.C.

6. I also wish to commend China for its far-sightedness in becoming a party to the Protocol of the Treaty on the Southeast Asia Nuclear Weapon Free Zone (the SEANWFZ). We hope that the other Nuclear Weapon States would follow the fine example set by China. The SEANWFZ is another important building block towards realizing the creation of a Zone of Peace, Freedom and Neutrality in Southeast Asia (the ZOPFAN).

7. In this connection, I wish to recall that in 2002 ASEAN and China signed the Declaration on the Conduct of Parties in the South China Sea.

This Declaration was intended to lead to the adoption of a Code of Conduct. It is unfortunate that little progress has been achieved towards achieving this objective. In the interest of regional peace and stability, I do urge that our senior officials continue negotiating until the text of a Code of Conduct can be agreed upon and signed.

Excellencies, Ladies and Gentlemen,

8. In our continuing quest for regional peace and security, we must express our deep concern for the latest developments in the Korean Peninsula. We must deplore the recent nuclear test carried out by the DPRK which represents a serious setback to efforts aimed at keeping the region, and the world, free from nuclear weapons. We hope that China, as a permanent member of the United Nations Security Council and as a member of the Six-Party Talks, would provide leadership to find an early and peaceful resolution of the nuclear issue involving the DPRK. We hope the application of sanctions will not escalate tensions and give rise to a worsening of the situation.

Excellencies, Ladies and Gentlemen,

9. Returning to the subject of economic relations between ASEAN and China, I am pleased to note that since the conclusion of the ASEAN-China Framework Agreement on Comprehensive Economic Cooperation in 2002, coupled with the subsequent implementation of the Early Harvest Programme and Agreement in Trade in Goods, there has been substantial progress in the substance of ASEAN-China economic relations. For instance, the total trade between ASEAN countries and China has increased significantly to reach USD 131 billion in 2005. This augurs well for attaining the target set by the Chinese President for trade between ASEAN and China to reach USD 200 billion by the year 2010.

10. We have also seen progress in the implementation of some of the recommendations contained in the 2005 Report of the ASEAN-China Eminent Persons Group (the ACEPG) that was formed in 2004. For example, we look forward to the early establishment in Beijing of the ASEAN-China Centre for Trade, Investment and Tourism Promotion.

11. I am happy to note that China has agreed to the proposal to launch a prestigious China-ASEAN scholarship programme for scholarly exchanges, research and training on social, cultural, educational and technical areas. This would encourage more people-to-people contact and instill deeper understanding between ASEAN and China generally.

12. It is noteworthy that some of the recommendations made by the ACEPG correspond to measures which are already being implemented under the ASEAN-China Plan of Action of 2003. These include cooperation in the sectors of health,

transport, ICT and energy. In this connection, I welcome China's intention to contribute USD1 million respectively to the ASEAN Development Fund and Initiative for ASEAN Integration. We consider this a clear commitment by China to support ASEAN's own community building efforts. ASEAN values very much this gesture by China.

Excellencies, Ladies and Gentlemen,

13. Let me now mention a few other specific areas where I believe cooperation between ASEAN and China will bring much mutual benefit. First of all, it is desirable that we conclude as early as possible the Services and Investment Agreement. The ASEAN-China Expo which has been on-going for some years should continue to be supported because it helps to promote private sector networking and linkages. I also believe ASEAN and China can work closely in the area of tourism, such as establishing very liberal air services regimes, so as to tap the potentially huge tourism markets in both ASEAN and China.

14. Let me mention also another major concern for both ASEAN and China, which is the emergence of infectious diseases, including SARS and Avian Flu, and the threat of their becoming serious pandemics. It is very important for ASEAN and China to work closely together to combat this common menace.

15. There is no doubt that our efforts towards achieving and sustaining economic prosperity require a holistic approach. Pandemics can seriously affect our economic and social development efforts. We must also never forget the recent experience we had in having to cope with rapid increases in the price of oil. This latest crisis had taught us the lesson that we do need to be looking for alternative, preferably renewable, sources of energy. I do believe that cooperation between ASEAN and China on energy security issues is necessary.

16. The framework for intensified cooperation between ASEAN and China is well in place. First and foremost, we have the annual ASEAN China Summits, preceded by all the preparatory and support meetings. There is then the ASEAN Plus Three process. To complement these, we also now have in place the East Asia Summit process. We must never lose sight of our long term goal of bringing into being the East Asia Community.

Excellencies, Ladies and Gentlemen,

17. Given the vast potentials for the enhancement of relations between ASEAN and China in many areas, it becomes imperative at the same time to establish some form of prioritization. Our implementation capacities are not unlimited. We should secure quick and concrete results in certain urgent matters while not forgetting other areas of cooperation. Using this approach, let me suggest that ASEAN and China give priority attention to the following:

17.1 Let us establish agreement on what constitutes the urgent matters. In other words, let us match the priorities between ASEAN and China;

17.2 Let us fully implement the Agreements and M.O.U.s that we have already concluded;

17.3 Let us expedite the conclusion of the Services and Investment Agreement;

17.4 We should encourage more exchange of visits at all levels, including government officials, media. Students and youth;

17.5 We should continue to encourage greater private sector cooperation;

17.6 Let us establish with urgency cooperation in the energy sector with focus on alternative sources of energy;

17.7 We should work hard to develop a Code of Conduct for the South China Sea;

17.8 Let us increase the profile of the ASEAN-China Dialogue relations by increasing publicity and information about the process and by increasing the involvement of ordinary citizens in ASEAN-China projects and activities.

Excellencies, Ladies and Gentlemen,

18. It has been a real pleasure for me to be here at his Commemorative Summit. I am encouraged by the prospects of an enhanced partnership between ASEAN and China. I also look forward to meeting Premier Wen Jiabao and fellow ASEAN Leaders again in December, in Cebu, for our regular annual summit meetings.

Thank you.