

THE SIXTEENTH ASEAN MINISTERS OF AGRICULTURE AND FORESTRY MEETING (AMAF)

LANGKAWI ISLAND RESORT HOTEL LANGKAWI, KEDAH, 25 AUGUST 1994

I would like to thank the Ministry of Agriculture for inviting me to officiate the 16th Meeting of the ASEAN Ministers of Agriculture and Forestry in Langkawi today. I hope that in the spirit of ASEAN cooperation you will be able to discuss candidly the issues before us and come up with proposals that will mutually benefit us all.

2. The ASEAN economies today are booming and experiencing rapid economic growth averaging 6.7 percent per annum in 1993. In all these economies, the leading sectors have always been the manufacturing and the services sector. Yet a large number of people are still highly dependent on agriculture and forestry for their livelihood. The agricultural sector, compared to the manufacturing and services sector, has been lagging behind in terms of rate of growth and contribution to the GDP. As such efforts must be made to ensure that agriculture continues to develop alongside other sectors.

3. In Malaysia, between 1991 and June 1994, out of RM 82.8 billion of capital investment that was approved for 20 types of industry, agro-based and food-based industries accounted for about 11 percent or RM8.7 billion. This included food manufacturing, beverages and tobacco, wood and wood products, and paper and rubber products. Thus, even though the manufacturing sector takes on great importance in a country's industrialisation, the agriculture component is not an insignificant component. Besides, for Malaysia, the biggest import item and the biggest cause of inflation is food, especially imported food products. Ladies and Gentlemen,

4. The private sector of ASEAN countries can play a major role to enhance intra-ASEAN investment in the agriculture and forestry industry so as to exploit the complementarity within ASEAN in terms of factor endowments, labour costs, technologies, and skills. ASEAN private initiatives should aim at strategic alliances and joint ventures in the production, processing and marketing of agricultural products. The thrust of cooperative efforts in this direction should result in penetration of extra-ASEAN markets. With the conclusion of the GATT negotiations, there will be more trade and competition, and competitiveness will be the key to survival in the world market place. Hence all the comparative advantages of the ASEAN member countries should be combined in order for ASEAN to be a low cost producer and exporter of quality agricultural products.

5. In ASEAN we have the Growth Triangle development strategy involving all ASEAN member countries, namely the IMT-GT between Indonesia, Malaysia and Thailand; the SIJORI between Singapore, Malaysia and Indonesia and BIMP-GT between Brunei, Indonesia, Malaysia and the Philippines. In all these projects, agriculture offers a great potential because these are resource frontier regions. I would, therefore, like to urge the private sectors of all the ASEAN member countries to initiate projects which would benefit all parties and help expedite the process of opening up these growth centres. Potential areas of development include food production and large-scale livestock rearing, as well as the various tree-crops.

6. We in ASEAN produce the same commodities, have the same climate, the same environment, eat the same staple food and face the same problems. In agriculture, as in other fields, we are both competitors and rivals. We want to be the best producers and to get the maximum market access for our products. In fact we want to be the best in all our endeavours because entry into the world market means we can develop faster and improve the standard of living of our people. This is a logical and rational mode of thinking and action because the real world is a harsh one. But I believe we can do better if we cooperate rather than compete ferociously and fiercely. It is in this spirit that the ASEAN Ministers of Agriculture and Forestry (AMAF) can play an important role. I hope that the AMAF will be an effective forum for the resolving of common problems related to agriculture and forestry in the region. We have no time to engage in polite and unproductive forums using scarce public funds that need to be used for the benefit of our peoples. We have to make a commitment to come up with more task-oriented and substantive work programmes. If we all do this sincerely and with commitment, then agriculture will continue to be an important contributor to our growth.

7. Although environmental issues have dominated the world scene since the UNCED summit held in Rio de Janeiro in 1992 the role of agriculture cannot be ignored. It is obvious that expansion of agricultural land must be at the expense of forest land. But we can minimise this by more intensive cultivation of available land and through research on increasing yield per unit of land. It is worth noting that research has made the original rubber tree yield ten times more latex. The same is true for oil palm and other crops. Still there are many ways of improving quality and yield. It is up to the agriculturists to do research and to develop. Funds expended on R&D in agriculture is never a waste. ASEAN researchers should publish their works and exchange information on a regular basis. That way we can help sustain our environment and in particular our forests.

8. Growth in population tend to exhaust marine products. While fishing should be controlled, aquaculture should be expanded. Many ASEAN countries have more than adequate land for aquaculture. At the same time research in aquaculture should not only make the industry profitable but should help with the food needs of ASEAN countries, and for exports.

9. ASEAN remains a major tropical forest region in the world, with some 180 million hectares which represent about 60 percent of the ASEAN land area. ASEAN is also the most important supplier of tropical timber products in the world, accounting for more than 80 percent of the international trade in these products valued at more than US\$12 billion a year. Forestry has played a dominant role in the socio-economic development of the region.

10. You may recall that when the need to conserve the world's forests was first recognised, the focus was almost exclusively on the tropical forest and its exploitation. A full scale and emotive campaign was mounted in the West to ban the use of tropical hardwoods. It would seem that temperate land timber has no role at all in maintaining the ecological balance. The timber tycoons of the north could clear-fell millions of hectare of forest with impunity.

11. While we are not denying the role played by tropical forests in sustaining the ecological balance, we would like to point out that we do no clear felling. Extraction of timber is controlled so that if you fly over the ASEAN countries, you will still see only green below you.

12. When ASEAN timber companies expand their operations to the South Seas and other regions they are equally careful not to destroy the forests they log. Unfortunately the activities of ASEAN loggers to help the economy of many developing countries have aroused resentment on the part of some regional powers. Suddenly money was offered to these developing countries to persuade them to stop Malaysian investors. We do not know what to call such aid but it is questionable whether ecology has anything to do with it.

13. While many ASEAN countries can afford to reduce dependence on the forest for their economic development, other countries may not be able to do so. They have a right to extract their forest products in order to free themselves from others.

14. Finally, I am glad to note that the ASEAN Secretariat has drafted a Memorandum of Understanding for the Joint ASEAN Agriculture and Forestry Product Promotion Scheme in order to strengthen the collective bargaining position of ASEAN and expand agriculture and forest products exports. This MOU is

very timely and in fact is long overdue in the quest for ASEAN economic cooperation in the face of a more competitive world economy.

15. On that note, I have the pleasure to declare open the Sixteenth ASEAN Ministers of Agriculture and Forestry Meeting.