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**Venue :** RENAISSANCE HOTEL KUALA LUMPUR  
**Date :** 17-03-2005  
**Title :** 2ND ASEAN LEADERSHIP FORUM-KEYNOTE ADDRESS

2nd ASEAN Leadership Forum

Opening Keynote Address By  
YAB Dato' Sri Mohd Najib Tun Razak  
Deputy Prime Minister of Malaysia

9.30am 17 March 2005  
Renaissance Hotel Kuala Lumpur

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H.E. Mr Ong Keng Yong,  
ASEAN Secretary-General

Encik Mirzan Mahathir,  
President, Asian Strategy and Leadership Institute

Distinguished Guests

Excellencies

Ladies and Gentlemen

I greatly appreciate this opportunity to meet with you. May I express my thanks to the organisers, the Asian Strategy & Leadership Institute (ASLI) and the ASEAN Secretariat for putting together this conference for the second year running. This forum is indeed timely given that Malaysia will play host to the 11th ASEAN Leaders Summit in December this year.

Ladies and gentlemen,

1. Since this forum is about leadership and about ASEAN, let me begin by recalling the most recent and vivid example of where we have seen leadership in action in this region. The tsunami waves of 26 December were the single most devastating force of nature to have ever hit the countries of South and Southeast Asia. Of the estimated more than 300,000 number of people who died or have been reported missing, nearly 250,000 were from Indonesia, Thailand, Myanmar and Malaysia. Indonesia was the hardest hit. We saw whole villages and towns washed away in Aceh, leaving behind a terrible mix of bodies, rubble, wood and metal. We saw video footages of giant waves hitting the resorts in Phuket and of holidaymakers struggling to escape. In Malaysia, we were more fortunate. Shielded by the island of Sumatra that lay between us and the earthquake's epicenter, we suffered far less in terms of casualties and damage.

2. In the wake of this unexpected catastrophe, our collective response in ASEAN has been exemplary. Malaysia, Singapore and Brunei were the first countries to react by dispatching rescue teams and relief workers to the hardest hit region of Aceh. Our armed forces are currently working with the Indonesian military on reconstruction efforts. Our doctors, nurses, NGO workers are helping to run mobile hospitals, orphanages and relief centres, and help restore public amenities such as sanitation and clean water supplies.

3. While we should acknowledge the subsequent ground swell of support and sympathy from others around the world, it was our closest neighbours and their leaders who instinctively demonstrated what President Susilo Bambang described as a "culture of solidarity" among ASEAN members. Malaysia, along with others, has given a public commitment to support the longer term reconstruction efforts and development needs of Aceh as long as we are needed by the Indonesian authorities.

Ladies and gentlemen,

4. In the early 90's, ASEAN was touted as the model of a successful and dynamic regional grouping. Malaysia, Thailand, Indonesia and Singapore were labeled as the economic tigers of Southeast Asia. The stability and prosperity created by ASEAN attracted the rest of Southeast Asian countries to join the grouping. This led to the realization of ASEAN 10.

5. As a group, following the 1997 Asian financial crisis, the SARS epidemic and the avian flu, ASEAN proceeded to intensify intra-regional cooperation by developing early warning systems to deal with threats to our economy and public health. We also introduced special trade and investment incentives to resuscitate the economic activities and development in the region. Coming at a time of political change and transition in the grouping, the tsunami disaster was another major test for ASEAN leaders. For the newer leaders, the challenge was to interact with their more senior colleagues as well as to address the immediate challenges of the tsunami.

6. The emergence of new leadership in several ASEAN countries underlined the theme of continuity and change - something that had characterized ASEAN since its inception. While leadership may change, the commitment of the ASEAN member countries to ASEAN has remained unwavering. This was particularly evident in the way ASEAN collectively dealt with the SARS epidemic and in the aftermath of the tsunami.

7. All these experiences enabled ASEAN to be better organized in dealing with transnational issues. Our organizational capability was the main reason the international community had chosen to work with ASEAN in dealing with the management of the post-tsunami disaster. ASEAN should build on this culture of solidarity in shaping a prosperous, secure and stable ASEAN and the wider region.

Ladies and gentlemen,

8. Following the 1997 Asian financial crisis, ASEAN came under heavy criticisms as an organisation that had lost its moorings. The financial crisis had plunged some of the member states into serious domestic political turmoil. Their internal problems had been severe enough to distract ASEAN from its earlier goals of closing the development gap among its members and to pursue closer economic integration.

9. In spite of this, ASEAN's ability to advance ahead was evident with the signing of the Declaration of ASEAN Concord II in 2003 in Bali. It signaled the determination of the ASEAN member states to deal with external challenges in a collective manner. More importantly, it also signaled the collective political will of the ASEAN leadership to promote ASEAN's interest in a holistic and integrated fashion in order to promote ASEAN cohesion and unity. The result was unprecedented. In what amounted to a paradigm shift, ASEAN turned its efforts towards creating an ASEAN Community by 2020 in line with ASEAN Vision 2020 that was conceived here, in Kuala Lumpur in 1997.

10. We all know that the ASEAN Concord II envisages a community built on three pillars namely the ASEAN Security Community, the ASEAN Economic Community, and the ASEAN Socio-Cultural Community. The move towards greater integration is a move in the right direction given the major geo-political challenges in the external environment.

11. The nature of many of these challenges, such as intensifying competition for trade and investment, the threat to multilateralism in the wake of the events in Iraq and the Middle East, the volatility in oil prices and new threat of terrorism, are such that national responses alone would be futile. In the face of relentless globalization, we must increasingly develop collective responses based on the tenets of international law and principles of inter-state relations. This would be the only way for big and small countries to effectively deal with these challenges together.

12. ASEAN's own experience has proved that collaborative efforts have been the most effective way to deal with many of the emerging transitional challenges and crises. Just as ASEAN had been able to agree on an early warning system for impending natural disasters, ASEAN should also look at similar efforts in other areas as well. For example, in cases where new infrastructure requirements would be prohibitively costly, ASEAN could look into creating synergies through networking among national bodies and companies. In this regard, Malaysia had been a strong advocate of a network among epidemiological centres to enable ASEAN to handle future epidemics. Similarly, ASEAN can also benefit from such networks in other areas as well. ASEAN could look at a network of peacekeeping operations, meteorological centres, research institutes, think tanks and the like.

Ladies and gentlemen,

13. If we want to shape a prosperous, secure and stable ASEAN, we have to meet the challenges of the future squarely and with sagacity. I am sure that you would deliberate on how we can best achieve this goal over the next two days. For my part I would suggest a three-pronged approach.

14. The first prong would be to pursue an integrated and balanced implementation of the Plans of Action of the respective communities making up the ASEAN Community. We must also move forward with the agreed measures and activities under the Vientiane Action Programme (VAP) to accelerate the implementation of these Action Plans.

15. As far as the ASEAN Economic Community is concerned, we should commit to the integration of the 11 priority sectors as a matter of urgency. These 11 sectors in fact constitute more than half of current intra-ASEAN trade. Together, we in ASEAN must demonstrate greater courage to remove barriers to the free flow of goods,

services and skilled labor and capital among ourselves. In other words, our primary goal should be to transform ASEAN into a highly competitive region functioning as a single market and production base by building on the comparative advantages of each member. Similarly, we must undertake complementary efforts to remove non-trade barriers, streamline investment conditions, remove corruption, and develop trained human resources. All these efforts will serve to enhance ASEAN's attractiveness as a destination for investment and trade.

16. The ASEAN Security Community is envisaged as a community where the members renounce the use of threat as a mode of resolving disputes. ASEAN's own experience has proved beyond doubt the importance of a peaceful and stable environment for economic and social development. The aim of the ASEAN Security Community should be to make peaceful coexistence and non-violence a norm among member states.

17. Certainly, we need to continue to abide by existing instruments such as the Treaty of Amity and Cooperation (TAC). We have done the right thing by inviting our partners and friends to also accede to this Treaty. If we want to make peace a foundation block of the ASEAN Community, it is crucial that we walk the talk. Non aggression and peaceful resolution of our differences must be emphasized and above all practiced. This forum could perhaps provide some views on how to take this process forward.

18. In this regard, it is perhaps timely that ASEAN should pick some of the lower hanging fruits envisaged under the ASEAN Security Community. These quick-wins include convening an Annual Meeting of Defence Ministers (ADMM), establishing an ASEAN Arms Register, creating an ASEAN early warning system to prevent the escalation of regional conflicts.

19. Our aim should be to render the use of force as an obsolete notion, just as the international community has done away with colonialism. We should not dismiss the pursuit of peace as some unattainable post-modern utopian dream. Our experience within ASEAN over the last four decades has shown that by and large, peace is a goal that is very much within our reach.

20. Our struggle for peace cannot be achieved without forging a set of common values that can bind ASEAN. Such values should be universal yet sufficiently ASEAN in nature. The willingness to engage in dialogue, a give and take attitude, mutual respect, sharing of information, good governance, respect for human rights and obligations should all be part of the ASEAN value system. Therefore, while ASEAN should continue to categorically reject external interference in our domestic affairs, we must not use it as a pretext not to undertake necessary changes to foster these common values.

21. As far as the implementation of the ASEAN Socio-Cultural Community is concerned, we should remember that the ASEAN Community is about people. Hence efforts must be made to complement ASEAN's government-to-government nature and make it more people-to-people centric. We should encourage greater grassroots interaction and ensure that the activities and programmes we promote are in fact meaningful for the wider society.

22. As the Prime Minister of Malaysia, Dato' Seri Abdullah Ahmad Badawi mentioned in his speech at the National ASEAN Colloquium held in Kuala Lumpur last year, we

need to present ASEAN in terms of images and symbols that can be identified as uniquely ASEAN. A single ASEAN common time zone, common travel and identification documents, celebration of the ASEAN Day and the ASEAN anthem were ideas that were floated. While this list is by no means exhaustive, it should be the basis for exploring other ideas and trying to make some of them work in practice. At the end of the day, what we need to do better is to “market” the ASEAN Community to our people in ways that are most relevant and meaningful to them.

Ladies and gentlemen,

23. The second prong to secure ASEAN’s future should be to strengthen ASEAN’s internal working mechanism. Over the years, ASEAN member countries have sought to squeeze greater efficiency out of ASEAN by adapting the institutional framework to meet pressing contemporary needs, be it to foster more functional or sectoral cooperation or to deepen linkages with external partners.

24. With the F1 taking place this week in Malaysia, let me use the automobile as an analogy. What we have done all these years to the ASEAN car is to fine tune the engine while at the same time adding extra features such as sports rims and spoilers, a CD player, leather seats and tinted windows. We have ended up with a nicer looking car, but an underpowered one. As a result, driving long distance has become quite challenging, what more when carrying a full load of passengers.

25. With the present ASEAN institutional framework, our ambition to realise an ASEAN Community by 2020 could become an uphill drive. What we may need is a comprehensive overhaul of the institutional framework for ASEAN. Our aim should therefore be to devise an updated version of ASEAN that would operate on the basis of clear and transparent rules and work methods, an effective mechanisms for implementation, follow-up and enforcement of decisions. What we need is a bigger, more powerful engine to drive the new ASEAN.

26. This updated institutional framework could be guided by a constitutive document such as an ASEAN Charter. The Charter would serve as the basis of the new ASEAN institutional framework. The work of completing this Charter should be undertaken as a priority exercise in community building. I hope you will spend some time during these next two days to consider how such a Charter, if developed, could serve to redefine the rules of engagement among ASEAN members.

27. The third and final prong would be to effectively engage with ASEAN’s external partners. We need to ensure that ASEAN remains an effective and respected driving force for global peace and prosperity. Imagine ASEAN’s external partners as a series of concentric circles with ASEAN at the core. Our most important partners would comprise the East Asian countries of China, Japan, Republic of Korea.

28. ASEAN leaders recognized as early as in 1997, that effective collaboration with these countries is crucial to ASEAN’s stability and prosperity. They were naturally guided by ASEAN’s positive experience in the bilateral interactions with these countries under the so-called ASEAN+1 framework that had begun earlier. In 1997, the first ASEAN+3 Summit was convened in Kuala Lumpur. The self-help mechanism established in the form of bilateral currency swap arrangements under the Chiang Mai Initiative was one of the first concrete manifestations of such cooperation.

29. Since then, the ASEAN + 3 process had flourished to ASEAN’s advantage. It is

important that we in ASEAN continue to nurture this process as well as the ASEAN+1 mechanism. ASEAN's trade with China is one of the fastest growing. The leaders have committed themselves to increasing two-way trade to US\$100 billion by this year. ASEAN's trade with another important partner, India, has also been on a steep increase. Although currently small, two-way trade is expected to more than double to US\$30 billion by 2007.

30. In this context, ASEAN must be able to make full use of the Free Trade Agreements that we have concluded with China, India and Korea, and the Comprehensive Economic Partnership with Japan. Future FTAs such as the one under negotiation with Australia and New Zealand should also be viewed as a holistic approach to facilitate the ASEAN Economic Community.

31. At the 10th ASEAN Summit in Vientiane last December, the Leaders agreed on the convening of the East Asia summit. Malaysia is preparing to take up the challenge of hosting this historic summit in Kuala Lumpur this December. As the East Asia Summit is one of the recommendations of the East Asia Vision Group (EAVG) and the East Asia Study Group (EASG), both of which are part of the ASEAN+3 process, it is only logical that the participants at this summit should be confined to the ASEAN + 3 countries.

32. At the same time, let us remember that communities - like individuals - cannot exist in isolation. ASEAN must therefore oppose misguided notions of a closed trade bloc. For open trading nations such as the East Asian countries, a closed trade bloc is not an option. In line with our policy of being open and outward looking, ASEAN must see that our other partners such as India, Australia, New Zealand, the United States, Russia and even the European Union, continue to be engaged in the process. Whatever the form of engagement, it is important for ASEAN to ensure that the process remains ASEAN-driven with ASEAN at the core.

33. We should therefore welcome these countries involvement in the East Asia Summit in other ways. It could be in the form of sectoral dialogue with different partners engaging in different areas of concern to East Asia. As an important core of East Asia, it is also in ASEAN's own interest to engage with all its partners from a position of mutual respect and common understanding.

Ladies and gentlemen,

34. In conclusion, it should be obvious to us that the path ahead is full of challenges. It is not going to be easy. The constantly evolving geo-political environment is bound to exacerbate some intra-state disputes in ASEAN and the wider region. The management of these differences would be the ultimate test of responsible leadership, leaders within ASEAN and among our closest partners beyond. We should resist the temptation to pander to populism or to seek short term gains. To be sure, as young nations, we still face numerous challenges in providing a prosperous and progressive environment for our citizens.

35. But ultimately, if we continue to rise above our most natural instincts and look towards our common interests, we will be one step closer to achieving the ASEAN Community that we know to guarantee our common future. On this note, I wish you all the best in your deliberations.

Thank you.