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"ASEAN - INDIA PARTNERSHIP: OPPORTUNITIES AND CHALLENGES"

Distinguished Guests,

Ladies and Gentlemen.

I would like to thank the Institute of Research and Information System for The Non Aligned and Other Developing Countries (RIS) for organizing this event and for giving me the honour to deliver an address at this august gathering this afternoon.

2. The topic that I have been asked to speak is "ASEAN-India Partnership: Opportunities and Challenges". This is most apt as we embark upon the new millennium. The opportunities for cooperation are enormous just as the challenges that we face can be formidable. There is a need to review the state of ASEAN-India relations in all its dimension. Given the right partnership, much can be attained for the mutual benefit of both sides.

Ladies and Gentlemen,

3. My talk today will focus on the situation in ASEAN, the current state of ASEAN-India relations and the various opportunities and challenges ahead.

4. Let me now reflect briefly on the situation in ASEAN and the region.

5. In 1967, when five Southeast Asian countries came together to create ASEAN, our main objectives were to accelerate economic growth, social progress, cultural development and to promote peace and stability through regional co-operation to attain unity and cohesion.

6. Thirty-three years later, ASEAN has become an Association of ten. If East Timur's interest to join ASEAN is realized, then it will become an Association of eleven. Undoubtedly, ASEAN is very diverse, shaped by different cultural and historical traditions, live under different political systems, are at different stages of socio-economic development. Even our security perception may not necessarily be the same. In terms of our economic performance, the per capita income of various ASEAN member countries, for instance, ranges from 258 US dollars to over 22,700 US dollars. We have among us a country with one of the smallest population, at

330,000, to the fourth most populous in the world, at over 200 million. We are also at various stages in recovering from the most devastating financial and economic crisis that ever hit our region. In some parts of Southeast Asia, the socio-political repercussions of the crisis are still very much being felt.

7. What I have just said clearly demonstrates how complex our region is and how enormous the task placed before us to realize the Vision that the ASEAN Heads adopted in Kuala Lumpur in 1997. By 2020, ASEAN would have developed into a concert of Southeast Asian nations, outward-looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies. ASEAN has indeed vastly expanded its horizons and remained relevant to the challenges of the new millenium.

8. I believe that we have made many important and valuable contributions to Southeast Asia, the wider Asia Pacific and the international community. The Treaty of Amity and Cooperation (TAC), the continuing process to realize the Zone of Peace, Freedom and Neutrality (ZOPFAN) as well as the Treaty on South East Asia Nuclear Weapon Free Zone (SEANWFZ) represented the collective effort of ASEAN member countries to advance the cause of peace and development.

9. Indeed, ASEAN has made it possible for our region to enjoy a period of relative peace and stability. This has provided us the environment to focus on national growth, regional cooperation and development of a regional community. Through ASEAN, we have been able to exert an influence and play a primary role in regional affairs. In the multilateral contexts, our collective voice is heard. Through ASEAN too, we have been able to garner assistance and support from external parties for our regional economic and other cooperation programmes. Further, as a group, we are able to pursue regional economic initiatives such as ASEAN Free Trade Area (AFTA), ASEAN Industrial Cooperation Scheme or AICO or ASEAN Investment Area (AIA).

Ladies and Gentlemen,

10. ASEAN remains the primary vehicle through which we have established collective linkages with the rest of the world. It was in this context that India became ASEAN's Sectoral Partner in early 1992 and a Full Dialogue Partner in July 1996. Since then, ASEAN-India relations have broadened and deepened. ASEAN and India now consult and collaborate on a whole spectrum of issues and activities. These include functional cooperation within the framework of the ASEAN-India Joint Committee (AIJCC) and dialogue on political and security matters within the framework of the ASEAN-India Senior Officials Meeting. A variety of mechanisms have been created for this purpose, including those that are specific to ASEAN and India as well as those that are extra-regional and international in nature. And these consultations and cooperation are conducted at various levels - at the ministerial, official and non-official levels.

11. ASEAN's functional and economic cooperation with India cover a wide range of projects in the areas of science and technology, IT and electronics, human resource development, transport and infrastructure, space technology, people-to-people contacts, tourism, capacity building, and trade and investment. Considering the opportunities available for mutually beneficial cooperation, it would be timely for us to look at the possibility of devising new approaches and creating new mechanisms and educational institutions so as to facilitate and accelerate cooperation in these fields. Given our own special interest in science and technology in particular, Malaysia would support the establishment of specialized institutions together with the development of an appropriate management framework for collaboration in this field. We believe that acquiring new technology and taking advantage of the opportunities provided by the CIT revolution should be given a high priority if we were to bridge the digital divide between the developed and developing countries.

12. In the short term at least ASEAN and India should continue to focus on identifying new areas of cooperation and implementing those that have already been agreed upon within the framework of the AIJCC. In promoting greater people-to-people contacts consideration could be given to providing increased opportunities for air travel and the exchange of visits involving youths, government officials, Members of Parliament and political leaders of both sides. Private sector involvement in trade and economic cooperation should also be promoted with full governmental support and assistance.

Ladies and Gentlemen,

13. On the trade front, we are encouraged to note that ASEAN's total trade with India increased by more than 162% from US\$2.9 billion in 1993 to US \$7.6 billion in 1999. Improved market access and increased economic prosperity have contributed significantly to this impressive growth in trade.

14. On investment, we see, from ASEAN to India, a cumulative increase from US\$0.39 million in 1991 to over US\$2.5 billion in 1998. India's foreign direct investment (FDI) flows into the ASEAN countries have also increased from US\$14 million in 1997 to US\$18 million in 1998. These figures are relatively small and do not reflect the potentials for two-way investment that exist between the two sides.

15. Given the changing paradigms, economic imperatives and the ongoing transformation in the political and strategic landscape in Asia, tremendous opportunities exist for ASEAN and India to collaborate more closely. India's diversities and rich cultural heritage, vast human and natural resources especially in the information technology area and the ongoing liberalization and deregulation in the economic area have made India one of the ten fastest growing economies in the world in the Nineties, with an average GDP growth of 6.5% per annum. On the other side of the equation, ASEAN's prevailing advantages including the ongoing efforts to consolidate peace and stability and increasing economic integration of half a billion people notwithstanding the fact that some of us are still recovering from the recent

financial and economic crisis should continue to attract India to "Look East", as it were, for mutually beneficial collaborations.

16. Malaysia believes that the reservoir of goodwill that exists between the two sides should be translated into concrete and substantive cooperation. The potentials for trade and economic cooperation for example should be fully exploited given the conducive environment and the opportunities that exist in both ASEAN and India. In this connection, we look forward to a study on AFTA - India Linkage with the view to enhancing trade and investment. Such linkage could be strengthened through information sharing, promotion and facilitation of each other's products, services and investments. Other areas of co-operation could include custom matters, standards and quality, intellectual property rights protection and the promotion of private sector linkages.

17. ASEAN and India should also continue to work closely on issues involving multilateral trade negotiations. We should strive to obtain support in the WTO in upholding the views of developing countries that their right to special and differential treatment be taken into account in multilateral negotiations, in accepting the importance of transparency as well as the need to forge consensus in the WTO process.

Ladies and Gentlemen,

18. On the politico-security front, the absence of conflicts between individual ASEAN member states and India, and the sharing of common perception on various issues relating to regional peace and stability have facilitated our co-operation at the ASEAN Regional Forum (ARF), in which India is a member. Both ASEAN and India recognise the important contribution made by the ARF process in promoting confidence building measures, greater transparency and mutual understanding amongst participants as issues relevant to regional peace and stability. Through the ARF process, we have become more aware of each other's strategic preoccupations and more conversant with the dynamics and realities of the security environment.

19. In recognizing India's active role as an important regional player, ASEAN welcomes India's support for ASEAN's effort in the establishment of the South East Asia Nuclear Weapon Free Zone (SEANWFZ). For our part, we look towards India to play a positive role in checking the spread of nuclear proliferation and demonstrating renewed commitment to the goals of nuclear disarmament and elimination of nuclear weapon, particularly in the South Asia region. In this context, we hope for an early decision by India to sign the Comprehensive Test Ban Treaty.

20. The end of the Cold War provides an opportunity for ASEAN and India to focus on promoting a strategic environment in Asia that is free of those thorny issues that have complicated relations between the two sides. We have a good basis to proceed. India has longstanding political, economic and cultural linkages with several countries in Southeast Asia. It is thus timely that we work on developing a convergence of interest within the concept of cooperative security that meets the

interests of both sides. Such a concept should be underpinned by a firm commitment "to the principle of mutual and equal security which can be ensured by respect for the territorial integrity of all states, non- interference in their internal affairs and opposition to any attempts that subvert national integrity and sovereignty." In any situation of potential conflict, the process of peaceful negotiation is crucial. It must be maintained. In this regard the ARF has been a useful forum for regional countries and major powers outside the region on politico-security issues.

Ladies and Gentlemen,

21. Various challenges lie ahead for both ASEAN and India, both in respect of the narrower aspect of relations between the two entities and in the wider international dimension. With regard to the former, several challenges need to be addressed. These include the need to develop meaningful cooperation based on trust and adherence to common principles to achieve lasting peace and prosperity for Asia. We need to have a paradigm shift and to develop a new mindset free of prejudice and obsolete thinking and perception in dealing with each other. We need to overcome bureaucratic impediments to cooperative endeavors between the two entities as well as between individual ASEAN countries and India.

22. Preoccupation with internal matters and the need to strengthen political and economic resilience thereby leaving little energy and resources for foreign enterprises or foreign policy is yet another challenge affecting ASEAN-India relations. ASEAN appreciates the vicissitudes of domestic Indian politics just as we ourselves are preoccupied with putting our own house in order. Similarly our preoccupation with our respective immediate neighbours and stronger traditional links with other powers have also placed ASEAN-India relations relatively lower down the scale. This is a major challenge as a reorientation in such preoccupation cannot be expected to be made in the short term without the benefits of favorable internal and external developments.

23. In the wider international dimension the challenge posed by major global issues of common concern like globalisation, the need to establish a new international financial architecture, the reform of the United Nations including the UN Security Council and nuclear disarmament need to be adequately addressed by both ASEAN and India. And so are the various transboundary issues like illegal immigration, piracy, illicit smuggling of small arms, illegal drug trafficking, diseases like AIDS and women and children. This is more so as we face the era of heightened interdependence. It is important that our voice is heard and our views be given appropriate consideration. Global peace and shared economic prosperity in the context of a just and equitable world order require sacrifice by those who could afford it in the interest of the many who need it.

Ladies and Gentlemen,

24. Allow me at this point to dwell a bit on globalisation which affects ASEAN and India.

25. It has been said often enough that globalisation is a phenomena whose time has come. The forces of globalisation, liberalisation and the revolution in Information and Communication Technology are constantly reshaping our own external environment. We appear to have no say in the pace and direction of these forces. They have created a more complex, interdependent, and yet highly competitive environment. They have affected in a major manner all aspects of our individual lives. They are intruding on our sovereignty and eroding our capacity for independent policy making. They are impacting on our regional initiatives and exerting pressures on the nature of our interstate relations. They have also put to test existing international regimes and institutions and found them wanting and vulnerable.

26. Unlike developed countries, developing countries have not shared the benefits of globalisation in a fair and equitable manner. The phenomena therefore has been a source of grave concern to them. The international financial system today is badly equipped to deal effectively with the new complex problems and challenges of globalisation. The existing financial architecture is inadequate to cope with the effects of huge volatile international financial flow as happened during the East Asian Financial Crisis. Greater unity, cooperation and singleness of purpose within the countries of the South like ASEAN and India can assist in withstanding the pressures of globalisation and liberalisation. It is important therefore that we demonstrate our cohesiveness and willingness to work together to strengthen our negotiating positions in every fora that deals with multilateral rules.

27. Reform of the United Nations including the UN Security Council is yet another issue of interest to ASEAN and India as we enter the new millennium. Malaysia believes that such reform should be comprehensive, both in expansion of the UNSC and working methods including the veto as well as in strengthening the UN's role in development. Whilst appreciating that discussion on the issue may drag on endlessly, it is useful for ASEAN and India to ensure that the issue continues to be put on the table, as it were, so as to eventually turn the UN into an international organisation that truly reflects the interests of the majority of its members.

Ladies and Gentlemen,

28. It is indeed a happy coincident that Malaysia is currently the Country Coordinator for the ASEAN-India Dialogue. As we shoulder this responsibility till July 2003 Malaysia looks forward to playing a constructive role together with other ASEAN member states in further strengthening relations with India.

29. In conclusion, let me say that ASEAN-India relations are poised to achieving new heights given the opportunities available. Constraints and challenges are no doubt many and could not be simply brushed aside. The pace of our cooperative endeavors may be satisfactory in some areas yet frustratingly slow in other sectors. Malaysia however believes that given the necessary political will, fresh commitment, new approach and concerted efforts by all concerned, much can be achieved for the mutual benefit of both ASEAN and India in the years ahead.

Thank you.

Wisma Putra
Ministry of Foreign Affairs

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