

**“Moving ASEAN forward, Strengthening Community Building”**

**Special Address by H.E. Le Luong Minh, Secretary General of  
ASEAN**

**at the 10<sup>th</sup> ASEAN Leadership Forum**

**Sunway Resort Hotel & Spa, Kuala Lumpur, Malaysia;**

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Your Hon. Tun Abdullah Ahmad Badawi – former Prime Minister of  
Malaysia

Your Hon. Dato’ Sri Mustapa Mohamed – Minister of International  
Trade & Industry of Malaysia

Mr. Tan Sri Michael Yeoh – Chairman of The 10th ASEAN Leadership  
Forum

Distinguished Participants

Ladies and Gentlemen,

I am honoured to participate and address the ASEAN Leadership Forum  
which brings together eminent leaders from Governments, businesses,  
think-tanks, academic and civil societies, to deliberate on key leadership  
challenges and issues facing ASEAN. The theme of this year’s forum

“ASEAN at a crossroads: Towards a Common Future, Shared Prosperity and Regional Stability” is highly appropriate and relevant as we are only two and a half years away from the deadline for achieving an ASEAN Community in 2015 by which time, at a crossroads, ASEAN will also have to decide which direction it will take in its continued process of integration.

As a reflection of the commitment of the Governments and peoples of ASEAN to Community building, we may recall that while the idea of building an ASEAN Community was reaffirmed only in 2007 by the Leaders of the Association through their Cebu Declaration, it first came about at the 9<sup>th</sup> ASEAN Summit back in 2003, and the signing of the ASEAN Charter constituted another landmark. The Charter reaffirmed ASEAN’s vision of and commitment to the ASEAN Community as one of peace and stability and shared prosperity and progress.

The design of the ASEAN Community based on three pillars – the Political– Security Community, the Economic Community and the Socio-Cultural Community with each pillar having its own blueprint and its own Community Council but coordinating work through the ASEAN Coordinating Council together with the importance attached to the Initiative for ASEAN Integration Strategic Framework and the implementation of Initiative For ASEAN Integration Work Plan phase II

(2009-2015) and the Master Plan on the ASEAN Connectivity are testimony to the wisdom of the ASEAN Leaders in recognizing the inter-connectivity, inter-dependence and mutual complementarity of the work to be done in all major spheres of ASEAN cooperation with a view to achieving concerted and sustainable progress in the process of building the Community. And, indeed, ASEAN's Community building has achieved substantial progress in all these major spheres.

On the economic front, since the 2003 AEC Declaration, ASEAN has implemented around 80% of the measures due under the AEC Blueprint.

ASEAN has been fully established as a free trade area since 2010, thus allowing for free flow of goods within the region. Tariff barriers have been reduced to zero for ASEAN 5 and Brunei, and by 2015, for the rest of the region. Intra ASEAN trade also increased from 20.8% in 1990 to 25.4% in 2011. Within the larger East Asian group (ASEAN + China, Japan and Korea), intra regional trade rose from 43% in 1990 to 55% in 2011.

Trade costs within the region have been reduced by an average of 18% and by about 8% with the rest of the world over the past decade. The Comprehensive ASEAN Trade in Goods Agreement has been put in place to facilitate free flow of goods in the region. By 2015, we expect

the ASEAN Single Window to be operational and contribute to enhanced customs integration in the region. A full self-certification program is also expected to be fully in place thus getting away from complicated rules of origin that deter businesses from coming to ASEAN.

ASEAN's services commitments have been broadened and deepened facilitating market access and national treatment across services sectors. Eight packages of services commitments have been completed, a ninth package is being finalized with more progressive liberalization still expected by 2015. Seven professional groups are now in the process to implement mutual recognition agreements to facilitate free flow of skilled labour. The ASEAN Agreement on Movement of Natural Persons was signed last year. ASEAN's services liberalization is being enhanced to ensure that the AEC becomes more relevant to changing market conditions.

ASEAN's investment regimes are kept more open under the new ASEAN Comprehensive Investment Agreement. In 2011, the region generated US114 billion FDI inflows from US22 billion ten years ago. Intra-ASEAN FDI flows also increased significantly from US2.5 billion

ten years ago to US\$26 billion in 2011. With this Agreement, the goal is not only to benefit ASEAN investors but also ASEAN-based foreign investors. ASEAN is committed to further improving the legal framework for property rights, increase the efficiency of the markets for factors, goods and services, and improve the quality and coverage of our infrastructure.

ASEAN has also increasingly liberalized capital flows to support trade integration. Recent successes in the region include the establishment of ASEAN Exchanges that will promote ASEAN as an asset class, and the various initiatives under the ASEAN Capital Market Forum and Asian Bond Markets Initiative.

To ensure that ASEAN builds the “right and competitive market”, conditions have been improved in product and regulatory standards, financing systems, logistics and transport facilitation, and business procedures. The ASEAN Infrastructure Capital Fund is ready to start lending operations this year, particularly in water and power infrastructure projects.

But the AEC is not only about building markets. It is also about creating opportunities for the people. Within the AEC, promoting equitable

development is key. The share of CLMV countries to total ASEAN GDP has increased from 6% in 1990 to nearly 12% in 2011.

The AEC has also become an effective platform for productive engagements with other countries outside the region as well. One good example is the Regional Comprehensive Economic Partnership “RCEP” that our Leaders launched in November 2012 and negotiations have commenced last May. The RCEP, once in placed, will further establish ASEAN’s centrality in a merging regional economic architecture.

On the Political-Security front, notable progress is reflected in the elevation of the Treaty of Amity and Cooperation in Southeast Asia with the accession so far of more than 20 non-ASEAN-Member countries strengthening its status as a cornerstone governing the relations not only between ASEAN countries but also between ASEAN and external parties: the adoption of the ASEAN Human Rights Declaration setting a milestone for ASEAN in the implementation of relevant human rights provisions as enshrined in the ASEAN Charter: the launch of the ASEAN Institute for Peace and Reconciliation which will be the ASEAN research institution on conflict resolution and conflict management to enhance peace, security and stability in the region: full

ratification by all ASEAN Member States of the ASEAN Convention on Counterterrorism and continued effort to promote Southeast Asia as a zone free from nuclear weapons and other weapons of mass destruction. And, since peace underpins the success of national development and regional integration in Southeast Asia, the consistent effort in conflict resolution by individual ASEAN Member States and ASEAN's concerted efforts aimed at finding peaceful solutions to regional issues on the basis of respect for the national law and fundamental principles in international relations reflect ASEAN's growth and maturity.

On the Socio-Cultural front, nearly 90% of the measures due under the ASEAN Socio-Cultural Community Blueprint have been or are being implemented with the progress recorded in all major spheres such as education, health, science and technology, social protection, response to climate change, disaster management and humanitarian assistance. As ASEAN is striving to build a responsible and caring society, the ASEAN Coordinating Centre for Humanitarian Assistance, operational since November 2011, is demonstrating its value to regional disaster resilience.

While ASEAN has achieved significant progress in its Community building, much work lies ahead. In the face of the challenges, the 22<sup>nd</sup> ASEAN Summit reaffirmed ASEAN's resolve to further intensify efforts to ensure a politically cohesive, economically integrated and socially responsible ASEAN Community will be in place by 2015 by implementing the ASEAN Charter and the Roadmap for an ASEAN Community. The Summit also reiterated ASEAN's commitment to narrowing the development gap by effectively implementing the Initiative for ASEAN Integration Work Plan II and the ASEAN Roadmap towards realizing the Millennium Development Goals.

Two and half years away from the deadline, in order to have the ASEAN Community in place by 2015, ASEAN's efforts will be focused on:

- (a) Timely and credible implementation of ASEAN's plans and initiatives –

To build the ASEAN Community, we need to implement various ASEAN agreements and decisions by ratifying agreements expeditiously and translating regional plans and initiatives into national actions. Thus, we should strengthen ASEAN mechanisms and processes, and coordinate various plans and actions – especially in issues that cut across sectors within a pillar and across the three pillars – to enhance implementation at the national level.

(b) Coordination of the delivery of ASEAN's plans and initiatives

ASEAN engages Dialogue Partners, multilateral organisations, sub-regional arrangements, multiple private stakeholders and other regional stakeholders in the work of ASEAN. In order to improve the convergence of purposes and actions of various work plans at different levels, there is a need to promote strong coordination within ASEAN, between ASEAN and relevant agencies or local authorities, as well as between ASEAN, its partners and other related mechanisms, especially on cross-cutting issues.

ASEAN Community building efforts must be coordinated in such a way as to maximise its impact, avoid duplication of efforts, and improve delivery to its stakeholders. To this end, it is important to have innovative platforms for dialogue, consultation and coordination among ASEAN officials and other stakeholders. We should be mainstreaming the Roadmap for an ASEAN Community and the Master Plan on ASEAN Connectivity into and among the plans of action/work programmes of relevant ASEAN bodies.

As ASEAN continues to deepen its internal integration and expand its external engagement, it is imperative that the ASEAN Secretariat be strengthened further to support and

coordinate the implementation of increasing number of ASEAN initiatives.

(c) Engagement with Stakeholders and Management of their expectations

Achieving success in Community building requires the commitment and involvement of all ASEAN stakeholders. Communicating ASEAN to its peoples should be a two-way process and should be mainstreamed in all ASEAN work.

(d) Maintenance of ASEAN's Centrality

Strategically, as an agenda-setter at the regional level, ASEAN should also manage the competing interests of our Dialogue Partners to ensure they contribute constructively to address the challenges facing the region as well as to support the ASEAN Community building efforts. This is where ASEAN's central role comes into play. ASEAN needs to demonstrate its central role by proposing ideas and initiatives, and take the lead in providing innovative and creative responses to current and future challenges.

As we work to broaden and deepen our external relations, ASEAN must ensure that its engagement is coherent, cohesive and coordinated. There has to be a strategic direction to our external relations.

In spite of the enormous work to be done, with the determination of the Member States, their readiness to maximize common ground for shared interests, we can be optimistic that the ASEAN Community will be achieved by 2015. At the same time while the Community Blueprints have a 2015 timeline, the work of ASEAN and its Community goes beyond 2015. The ASEAN Charter, the ASEAN Community and the ASEAN connectivity are important signposts of our development, but they are not the finishing points. Work in ASEAN is a continuum. As instructed by the Leaders of ASEAN at their 22<sup>nd</sup> Summit, preparation for work on a post 2015 vision for ASEAN has started. Whatever will be the outcome of this process certainly it will not be one of soul searching. That vision will be one of continuing to promote peace, stability and prosperity in Southeast Asia, one for further but deeper and more comprehensive integration, one to strategically positioning ASEAN in the evolving regional architecture and the world at large, one for strengthening the ASEAN Community united in diversity living in harmony in global community of nations.