

**Opening Remarks
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**Conference on Understanding
the Regional Comprehensive Economic Partnership
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Distinguish Guests

Ladies and Gentlemen

Good morning.

On behalf of the ASEAN Secretary-General and together with Pak Iman, it is my pleasure to open today's Conference on Understanding the Regional Comprehensive Economic Partnership (RCEP).

First, I would like to congratulate the Ministry of Trade of Indonesia together with the United States Agency International Development (USAID) and Economic Analysis Development in Indonesia (SEADI) for organizing this event. Similarly, I would like to thank today's participants, especially the speakers, moderators and panel discussants. Undoubtedly, we all welcome an occasion such as this where we are given a venue to distil information, exchange views and refine understanding on a very important undertaking that is the RCEP. It is quite timely

too, as we have just embarked into the initial stages of the RCEP negotiations. Having a good understanding at the onset is likely to provide a strong foundation that will keep us attuned to developments as the RCEP process progresses.

RCEP is the culmination of ASEAN's desire to enhance economic integration that is mutually beneficial to its member states and its external partners. Regional integration has come a long way. Intra-ASEAN economic ties have strengthened in the last decade. Intra-ASEAN total trade in 2011 is four times its value in 2000, reaching US\$598 billion. In terms of share in ASEAN's total trade, trade among the 10 member states accounts for about a quarter or 25% of the region's total in 2011.

Having then established robust intra-ASEAN integration, ASEAN unilaterally set its agenda to forge stronger bilateral ties with its dialogue partners, namely, Australia, China, India, Japan, Korea and New Zealand. From mid-2000, bilateral free trade agreements with dialogue partners entered into force – from the earliest with China in 2005 to the two most recent FTAs with India as well as with Australia and New Zealand in 2010. Liberalization measures under these FTAs abetted trade relations between ASEAN and its dialogue partners. By 2011, the share of ASEAN's trade with dialogue partners reached 34% of ASEAN's total trade, an improvement from its share of 28% in 2000.

Taken together, trade among ASEAN member states and its trade with dialogue partners now account for close to 60% of ASEAN's total trade in 2011. Clearly, gains from stronger economic relations cannot be denied.

And ASEAN recognizes this. As such, integration into the global economy is one of the four pillars of the ASEAN Economic Community (AEC) Blueprint adopted in 2007. As we all know, ASEAN Member States aim to realize the vision of the AEC by 2015. The AEC Blueprint operationalizes the AEC vision by defining specific policy actions and strategic implementation schedules for 19 key economic areas. ASEAN envisages an AEC characterized by a single market production base in an economic region that is highly competitive, is supportive of equitable economic development, and is fully integrated into the global economy. Focusing on AEC being fully integrated into the global economy, the AEC Blueprint endorses a coherent approach by which ASEAN should forge its external relations.

It is in this context that the ASEAN Framework for RCEP was issued by ASEAN Leaders during the 19th ASEAN Summit in November 2011 in Bali, Indonesia. Since then, progress has been steady. In August 2012, the Guiding Principles and Objectives for Negotiating RCEP were adopted. A few months later in November, the Heads of State of the 16 participating countries adopted the Joint Declaration on the Launch of RCEP Negotiations. Then, the first round of negotiations was convened in May 2013 where three working groups on trade in goods, trade in services and investment were created. The second round of negotiations is slated in September 2013. Participating countries aim to complete RCEP negotiations by end of 2015.

Many of the key elements and emerging issues related to RCEP will be discussed extensively in today's conference. Allow me to draw your attention to several

characteristics of RCEP which we aim to highlight in this whole process of RCEP negotiations.

First, the RCEP negotiation holds ASEAN Centrality paramount. But there is also a concomitant recognition of the interests of ASEAN's dialogue partners. RCEP negotiations will leverage from ASEAN's solid position as a regional economic group in fashioning its relation with ASEAN partners.

Second, the economic partnership to be achieved under RCEP will be modern, comprehensive, high-quality and mutually beneficial. To this end, negotiations will be conducted in parallel to ensure that outcomes are comprehensive and balanced.

Third, significant improvements over existing ASEAN+1 FTAs will be pursued to ensure broader and deeper engagement among participating countries. ASEAN and its dialogue partners will build upon the successes of existing economic linkages to chart the path of RCEP. And in doing so, RCEP negotiations will safeguard that no provisions in the RCEP agreement will detract from the terms and conditions already in place in prevailing ASEAN+1 FTAs.

Lastly, RCEP negotiation takes into account the different levels of development of participating countries. As such, negotiation will work at considering appropriate forms of flexibility. Furthermore, technical assistance and capacity building may be extended to enable all parties to enjoy the benefits from RCEP.

The goals of RCEP are far-reaching and multi-faceted. And, as we know, high aspirations equate to tall orders of work that needs to be done. This is not new for us. It is through hard work and not by chance that ASEAN and its dialogue partners have found themselves at this juncture of a strong economic relation. And it is through the same hard work that the RCEP negotiations will move forward.

Events like today's conference contribute positively to the process as it aims to build better understanding of RCEP. It is for this reason that everyone, myself included, is looking forward to the rich discussions and fruitful exchanges of views that we are going to have today.

In conclusion, let me affirm what I have mentioned earlier that, indeed, ASEAN has come a long way in its efforts to enhance economic integration. Guided by the directions set out in the AEC Blueprint, ASEAN has remained steadfast in its commitment to forge economic ties that is both forward looking and outward oriented. The adoption of the RCEP Framework and the subsequent commencement of RCEP negotiations are testaments to such commitment.

Thank you.