

Keynote Speech
Lim Hong Hin
Deputy Secretary-General of ASEAN for ASEAN Economic Community

Special Seminar on Food Security
Focusing on Water Management and Sustainable Agriculture
6-7 September 2013, Niigata, Japan

Your Excellencies

Tadayoshi Nagashima, Vice-Minister of Agriculture, Forestry and Fisheries of Japan

Akira Shinoda, Mayor of Niigata City

Hirohiko Izumida, Governor of Niigata Prefecture

Distinguished Guests

Ladies and Gentlemen

Ohayo Gozaimasu !

At the outset, I would like to congratulate and thank the Ministry of Agriculture, Fisheries and Forestry of Japan for taking the initiative to organise this event — *Special Seminar on Food Security: Focusing on Water Management and Sustainable Agriculture*.

As we all know, ASEAN and Japan are marking the 40th Anniversary of ASEAN-Japan Friendship Cooperation this year, having established what then Japanese Prime Minister Takeo Fukuda called in 1977 as “heart-to-heart” relationship with ASEAN.

In 1973, the ASEAN-Japan relations began with the establishment of the ASEAN-Japan Forum on synthetic rubber. The Forum was subsequently institutionalised in 1977, covering other areas including trade, commodities, investment, technology transfer and development assistance.

Private sector cooperation has been enhanced through the creation of the ASEAN Promotion Centre on Trade, Investment and Tourism in 1993. Financial assistance for development cooperation projects with ASEAN was channelled through various source of funding, amongst others, including the Japan-ASEAN Cooperation Promotion Program, Japan International Cooperation Agency, Japan-ASEAN General Exchange Program, Japan-ASEAN Solidarity Fund, and Japan-ASEAN Integration Fund.

The strong mutual solidarity between ASEAN and Japan was well signified throughout the years. Two years ago, we see this spirit following the Great East Japan earthquake which triggered the devastating tsunami and nuclear power plant accident. ASEAN convened the Special ASEAN-Japan Ministerial Meeting in Jakarta where ASEAN Foreign Affairs Ministers and their representatives expressed their sympathy, solidarity, and support to the Government and People of Japan in their recovery and reconstruction efforts.

Undeniably, our cooperation towards peace, stability, development and prosperity has gone from strength-to-strength through the years. Economic ties between ASEAN and Japan continue to strengthen. In 2012, total trade between ASEAN and Japan reached US\$262.2 billion, which is about 11% of ASEAN's total trade. Similarly, ASEAN is a favoured destination by Japanese enterprises for their investments. Japan remains to be one of the biggest

sources of foreign direct investment (FDI) to the region. In 2012, Japan is the second largest FDI source after EU with inflows amounting to US\$20.8 billion, which accounts for about 19% in total FDI inflows to ASEAN.

Also over the years, one cannot help but acknowledge the immense and significant contribution of Japan towards ASEAN Community building, as evidenced by its initiatives and support for concrete and mutually beneficial undertakings in areas such as disaster mitigation and management, people-to-people exchanges, and connectivity.

Specifically in the area of agriculture and food security cooperation, Japan's initial involvement were through the provision of funding support for the implementation of cooperation activities, building of infrastructure, procurement of equipment and technical assistance programs. Since then, Japan has broadened and deepened its engagement with ASEAN. Japan provided support through technology transfer, capacity building and quality improvement in areas such as agricultural policy development, sustainable forest management, food security, sanitary and phytosanitary measures, and human resources development. In all these activities, focus was primarily on the newer ASEAN Member States.

Cooperation and collaborative undertakings in agriculture and food security are guided by frameworks endorsed by the ASEAN Ministerial Meetings on Agriculture and Forestry (AMAF) involving the 10 AMS and AMAF Plus Three with ASEAN's dialogue partners: Japan, China and Korea. In the area of food security, a ASEAN Integrated Food Security Framework and the Strategic Plan for Action on Food Security 2009-2013 was developed to guide the work in this

area which has also been identified as one of the six priority areas under the ASEAN Plus Three Cooperation Strategy.

Under these guiding frameworks, several collaborative projects between ASEAN and its dialogue partners, including Japan, have been undertaken. The ASEAN Plus Three Emergency Rice Reserve Agreement entered into force on 12 July 2012. This paved the way for the operationalization of a permanent mechanism in releasing stockpile rice to help meet relief requirements resulting from national disasters and humanitarian emergency situations. Also, the Proposal of Post-2012 ASEAN Food Security Information System (AFSIS) was endorsed. This will establish the AFSIS Network Centres to further enrich knowledge on food security assessment and supply and demand data for main food commodities in the region.

In addition, several projects and activities have also been implemented, mostly channelled through the Ministry of Agriculture, Forestry and Fisheries of Japan, including the ASEAN-Japan Partnership Project on Multi-functionality of Agriculture in ASEAN Countries, South-South Cooperation Promotion Project for Agricultural Productivity Enhancement in Developing Countries, and the Project for Strengthening Capacity Building in Agriculture Sector in ASEAN Countries which aims to strengthen skills and capabilities of agriculture-related practitioners/officials such as farmers, members of agricultural cooperatives and agri-business leaders in ASEAN Member States.

All these concerted efforts and continued cooperation bear evidence that indeed agricultural development and food security are of primary importance to ASEAN. The ASEAN Economic Community (AEC) Blueprint further reinforces

this. The AEC Blueprint operationalizes, through specific policy actions, ASEAN's vision by 2015 to build a region that has a single market and production base; is highly competitive; is supportive of equitable economic development; and is fully integrated into the global economy. The AEC Blueprint also identified agriculture as one of the twelve priority sectors for accelerating economic integration in the region.

Meanwhile, endeavours to foster agricultural development and ensuring food security are being pursued within an economic environment which is still fraught with vulnerabilities. While far from being impervious to external shocks, ASEAN economies have remained steadfast through the 2008 global financial crisis. In 2012, output of ASEAN countries grew by 5.7%. Resilient domestic demand, including government-initiated investment and strong consumption demand, underpinned the region's growth performance. Looking ahead, with the global economy slowly recovering, ASEAN is still well placed to sustain its strong economic performance in 2013.

To this end, policy undertakings for food security can further bolster the region's economic performance given the important of sustainable food production to ensure food security. A viable food production will engender a strong and robust agricultural sector which provides another source of growth to prop up the economy.

In addition, the same policy actions for food security can also address the challenge of fostering equitable economic development. While there has been significant transformation in the economic structure of less developed ASEAN Member States – Cambodia, Laos, Myanmar and Vietnam (CLMV in short), the

agriculture sector remains to have a substantial share, both in terms of these countries' output and employment. Hence, by pursuing food security policies that engenders a strong agricultural sector, one provides the needed growth strategy for the CLMV economies that, in due course, could help close the development gap.

While indeed there is broad recognition among ASEAN economies and its dialogue partners that sustainable food production is essential to food security, there is still much to be done. The ASEAN's Strategic Plan for Action on Food Security defines several programmes where policy actions need to be undertaken to support sustainable food production to ensure food security. Allow me to highlight some of these programmes.

Improving agricultural infrastructure development is of primary importance. An efficient supply chain system characterized by efficient farm-to-market physical linkages and sufficient storage facilities will help to reduce transaction cost and minimize post-harvest losses.

Promoting agricultural innovation to improve productivity in the agricultural sector is essential. Strengthening research and development, accelerating knowledge transfer and promoting adoption of new technologies are just but a few avenues by which agricultural productivity can be enhanced.

Ensuring efficient utilization of resources is also key for sustainable agricultural activities. And as today's Special Seminar highlights, water resource management is fundamental to this issue. ASEAN countries face a broad array of challenges regarding water resource management in the context of food

production. These include, among others, outmoded and poorly-maintained irrigation systems; insufficient water supply due to degradation and pressures brought about by population growth and industrial expansion; and weaknesses in regulation and enforcement.

Undoubtedly, the challenges are complex and crafting solution for these issues is far from being easy. That is why, ASEAN will continue to leverage on the productive collaborative arrangements it has forged through the years, especially with Japan who continue to be a strong and reliable partner of ASEAN.

More than ever, strong partnership and coherent regional coordination are needed among ASEAN and its dialogue partners given that food security and sustainable food production is likewise affected by other emerging policy issues in the areas of climate change and bioenergy development. On this note, we welcome the cross-sectoral and collaborative undertakings under the ASEAN Multi-Sectoral Framework on Climate Change – Agriculture and Forestry towards Food Security, and the ASEAN Plus Three Comprehensive Strategy on Food Security and Bioenergy Development.

In closing, on behalf of ASEAN and its Member States, I would like to congratulate and thank again our gracious hosts for organising and making this commemorative event possible.

Arigato Gozaimasu!