

Keynote Presentation
ASEAN Community 2015: Expectations and Realities

Presented by DSG Hirubalan V P

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Your Excellency Amb Tan Chin Tiong

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Excellencies

Distinguished Guests

Friends

Ladies and Gentlemen

Good Morning

First let me thank Amb Tan for the kind words of introduction. It is nice to be among friends. Amb Tan was Singapore's SOM Leader to ASEAN for several years. We have former ASEAN SGs, and of course Prof Tommy Koh, one of the framers of the ASEAN Charter. Dato Shahrul from Malaysia, with whom I have been working closely these past few months.

As the Chair of ASEAN for this year, Malaysia has the important responsibility of steering and guiding ASEAN through a very important phase of its evolution. Some in the audience have been associated with the ASEAN Secretariat for many years. And this is useful as you know ASEAN, its processes and uniqueness.

Before I continue, please allow me, on behalf of Secretary General Le Luong Minh and the ASEAN Secretariat to thank Amb Tan, the Yusof Ishak

Institute and the organisers for the warm welcome, the arrangements and hospitality. I do hope that our perspectives will contribute to the discussions and perhaps facilitate better understanding of this important phase of ASEAN integration and community building.

The topic at hand is ASEAN Community 2015: Expectations and Realities. It's a bit vague as we are not clear whose expectations we are talking about. I guess different constituents would have differing interpretations and understanding of the soon to be launched ASEAN Community.

In fact, the literature on this specific subject is quite fascinating with interesting assessments over what to expect when the Community is launched, whether ASEAN is ready to be a Community, whether Member States have the capacity to deliver the regional aspirations demanded of a Community, and what it all means to ASEAN in real terms, to name a few.

What is clear is that we, meaning the officials and the ASEAN Secretariat, are working towards our Leaders officially launching the ASEAN Community at their 27th Summit in Kuala Lumpur in November this year. And this will mark an important milestone, an important phase in ASEAN's evolution.

ASEAN has come some way since 1967. According to studies, collectively ASEAN has been the second fastest growing economy in Asia over the past decade. There are more interesting and perhaps optimistic projections. With a combined GDP of nearly US\$2.8 trillion in 2014 and a consumer base of about 625 billion, ASEAN is projected to be the 5th largest economy in the world in 15 years, the 4th largest by 2050.

FDI into ASEAN reached US\$136 billion last year, up 15.7% over the previous year, and trade was US\$42.53 trillion, up by 0.8%. These upward trends are expected to continue barring shocks such as turmoil in the Chinese economy or a massive and sustained global economic crisis.

In terms of progression towards regional integration, two developments stand out. First was in 2007, ASEAN's 40th Anniversary, when our Leaders signed the ASEAN Charter giving the organization a legal personality and more important, profiling ASEAN as a rules-based organization. The Charter consolidated ASEAN as an organization.

The second step in the path towards a Community was the finalization and adoption in 2009 of the Roadmap for an ASEAN Community. This Roadmap which included separate Blueprints for the Political-Security, Economic and Socio-Cultural Pillars, had a six-year timeframe ending with a Community in 2015. This is where we are now.

ASEAN's role in preserving and securing regional peace and stability is well-known. And this is due in no small measure to ASEAN's lead in regional institution building. The ASEAN Regional Forum, established in 1994, had by the year 2000 evolved into a key mechanism organizing about 35 activities annually to promote confidence building and preventive diplomacy.

Other regional mechanisms were added to the network of existing dialogue partnerships namely the ASEAN plus One and the ASEAN plus Three mechanisms. The ASEAN Defense Ministers' Meeting (ADMM) was institutionalized in 2006 and by 2010 had grown to include a plus component incorporating eight dialogue partners. And between ADMM and the ADMM Plus, activities now average around 25 annually.

The East Asia Summit first convened in 2005, will commemorate its 10th Anniversary this year possibly with a Declaration. We feel that the EAS is at the correct level now with the entry of the US and Russia two years ago, and we are working to establish this mechanism as a premier Leaders' Led Strategic Forum for the region.

And it is important to note that ASEAN has maintained its central role in these mechanisms over the years.

On the sectoral side, there has also been considerable consolidation and expansion covering a wide array of areas including transnational and non-traditional security issues, human trafficking, drugs, cybercrime, issues related to humanitarian assistance and disaster risk reduction, etc.

The use of ASEAN symbols by Member States including hoisting the ASEAN flag next to national flags in ASEAN Embassies served to profile the coming of age of ASEAN.

The activities and developments are just too many to list. ASEAN was already operating as an effective and well-coordinated regional organization promoting cooperation within the region and taking a united approach with external partners, and in particular on issues that had implications for regional peace and stability.

We are now at the end stage of implementing the 2009-2015 Blueprint. On the political-security action-lines and the economic measures, slightly over 90 percent have been implemented. The remaining action lines, particularly the economic ones, are somewhat more challenging as these could, for example, have domestic implications for some Member States, or require changes to domestic laws.

But as pointed out by the Chairman of the ASEAN Economic Ministers during the AEM Retreat in February this year, and I quote:

“The formal establishment of the AEC by end-2015 marks a major milestone in ASEAN’s effort to fulfil the goal of an integrated region, encapsulated under the rubric of One Vision, One Identity, One

Community. The implementation of the AEC measures does not mean that ASEAN will become a single economic entity by 1 January, rather it sends a strong signal that positive measures have been put in place towards a more liberalized and integrated economic region.”

End of quote.

This is how the Community should be viewed – it is not the end of a journey, but a start.

The ISEAS 2013 publication, *The ASEAN Economic Community: A Work in Progress*, is a great study, but somewhat cynical in some of the authors' assessments of the ASEAN Community. The comment by Director of ISEAS Amb Tan in his foreword was a useful summary of what we are trying to convey. And I quote:

“.... If the measures in the AEC Blueprint are to be regarded as ASEAN aspirations and commitments pointing in the general direction of creating the region as a single market and production base, and if the year 2015 is to be seen as a benchmark of progress in that direction, the AEC 2015 should be taken seriously not only by the ASEAN states but also by businesses and by not-for-profit organizations. It is in this spirit that we at ISEAS consider the findings and conclusions of the prominent experts whom we have engaged.”

End of quote

On integration and moving towards an economic community, there has been some progress in difficult areas:

- a) About 96% of tariff lines of ASEAN Member States are zero percent now;
- b) Concerted efforts are being taken to develop a comprehensive trade facilitation action plan;
- c) Concrete steps are being taken to address non-tariff barriers'
- d) Progress has been made in the development of the ASEAN Single Window and National Single Windows;

e) ASEAN Mutual Recognition Arrangements in 8 professions have been agreed facilitating skills mobility;

More work is needed if we want to meet the criteria and framework of what an economic community should be as envisioned by the experts.

ASEAN is a grouping of 10 sovereign nations, and this has its inherent challenges such as regional aspirations versus national priorities, different levels of development among member states, the need to take into account considerations and sensitivities of domestic constituents, to name a few.

To cite an example of the challenges, we look at ASEAN-wide Agreements. Some members might need more time than others to ratify or implement already agreed ASEAN Agreements, which means that these Agreements would not come into force until all have signed and ratified. And there are several of these that the ASEAN Secretariat is monitoring.

Another issue revolves around participation and inclusiveness. The term Community must surely reflect a broader constituency, much larger than only those in government, business, NGOs, academia, to name a few, who have been involved in ASEAN processes. Community implies involvement of society at all levels in all Member States being able to identify and relate to the ASEAN Community.

Our Leaders have emphasized that the ASEAN Community must be about people. At the last ASEAN Ministerial Meeting, the Ministers discussed how to make our citizens more aware of ASEAN.

There are some activities planned to profile the organization in conjunction with the declaration of an ASEAN Community. One will be an ASEAN Peoples Award to a prominent advocate of ASEAN in each of the Member State. There will be other activities – but we have to introduce some high

profile ASEAN event that people can relate with – as an example, one suggestion made was to have an ASEAN version of the Eurovision Song Contest – an event that ordinary ASEAN Nationals can associate with.

In summary, an ASEAN Community will take shape by this year before the Chairmanship is handed to Lao PDR next year. The continued process of Community building and consolidation will help ASEAN maintain its unity and cohesion. The ideal is an ASEAN that is politically cohesive, economically integrated and socially responsible. And an ASEAN that is united and capable to contribute to peace and stability in the region and play a central role in the regional architecture.

ASEAN features prominently in the foreign policy of many countries. Currently, 83 non-ASEAN countries have appointed Ambassadors to ASEAN and we have established ASEAN Committees in 47 countries or international organizations. And we continue to receive requests from countries to be formally associated with ASEAN.

Allow me to conclude with a short statement on the post-2015 period. Our leaders are looking beyond 2015 and have asked for a post-2015 Vision to be developed. We should see the launching of the ASEAN Community in end-2015 as work in progress – ASEAN by its nature as a regional grouping must always be dynamic, as it also has to relate to evolving regional and global circumstances.

Developing the post-2015 Vision is almost complete and we expect our leaders to roll out the new Vision when they meet in November in KL. We are looking at a new Roadmap covering all three pillars to be implemented over the next ten years, until 2025. The main thrust is to entrench a rules-based and a people-centered, people oriented ASEAN that maintains its centrality in regional matters and is able to respond effectively, much more than now, to challenges from within and beyond the region. That will be the thrust in the next phase.

Thank you.