

Remarks by H.E. S. Pushpanathan, Deputy Secretary-General of ASEAN for ASEAN Economic Community, at the Reception to Mark the Establishment of the UK- ASEAN Business Council

1 November 2011 19:00 – 20:30 hrs

Esquire Room, Level 3, Mandarin Oriental Hotel, Jakarta

Right Honourable Dr. Vince Cable, Secretary of State for Business, Innovation and Skills

H.E. Mark Canning, the British Ambassador

Excellencies

Ladies and Gentlemen,

On behalf of the Secretary-General of ASEAN, H.E. Dr. Surin Pitsuwan, I am pleased to participate in this important launching event of the UK-ASEAN Business Council together with Dr. Vince Cable.

I welcome the statement of Dr. Cable that the UK Government wants to see a real step change in its levels of trade with high growth markets, particularly in ASEAN and to encourage UK businesses of all sizes to explore opportunities and develop business in markets beyond those in which they already operate.

On its part, ASEAN is working earnestly and with a single-minded focus to establish the ASEAN Community in the year 2015 comprising three pillars: the political and security, economic and socio-cultural communities. We recognize the private sector as a key stakeholder and integral part of the building of the ASEAN Community, in particular the ASEAN Economic Community (AEC). We have been engaging the private sector actively seeking their inputs and involvement in the economic community building efforts. The ASEAN heads of government, ministers and officials have stepped up their engagement with the business community in the region. This includes the business groups and industry associations already operating in the region, as well as ASEAN-based foreign chambers of commerce and industry associations. The recently established EU-ASEAN Business Council is one such organisation that we are

engaging.

In the regard, I welcome the establishment of the UK-ASEAN Business Council and look forward to working with it to create a better appreciation of the AEC by the UK businesses and to promote and facilitate trade and investment between ASEAN and the UK, which has been recording remarkable performance over the years.

Two-way trade between ASEAN and the UK in the year 2010 stood at US\$28.34 billion, an impressive 23% increase compared with the year 2009. The increase is even higher than that of EU-27 which was at 21%. The figures showed that the trade between ASEAN and UK has fully recovered from the recent economic downturn and outpaced the highest trade volume recorded in 2008 between ASEAN and the UK at US\$27.88 billion. The picture is similar for the foreign direct investment (FDI) inflows from the UK. For the period 2000-2010, the UK's cumulatively FDI to ASEAN stood at US\$42.88 billion. In 2010, the UK ranked second to Luxembourg with regard to the share of EU members' FDI inflows to ASEAN at US\$4.708 billion. This accounted for 6.81% of the 22.34% of the total FDI inflows from EU into ASEAN.

In closing, let me thank Dr. Cable and Ambassador Canning for having this launching event in Jakarta, home of the current Chair of ASEAN and the ASEAN Secretariat. We look forward to working closely with the UK and the EU to further enhancing our strong trade and economic ties as we build the AEC, which is expected to benefit not only ASEAN but all our trading partners too.

Thank you.

ASEAN Trade with United Kingdom, 2002-2010
Value (in million US\$)

	2006	2007	2008	2009	2010
Total ASEAN Export and Import with UK					
Export	16,057	18,179	17,206	13,514	16,155
Import	8,132	9,761	10,677	9,534	12,185
Total	24,189	27,940	27,883	23,048	28,339
Growth (%)					
Export	16.6	13.2	-5.4	-21.5	19.5
Import	0.9	20.0	9.4	-10.7	27.8
Total	10.8	15.5	-0.2	-17.3	23.0
Total ASEAN Export and Import with the World					
Export	750,707	859,804	977,537	810,473	1,070,941
Import	643,593	739,480	919,591	726,405	974,790
Total	1,394,301	1,599,284	1,897,128	1,536,878	2,045,731
Share of UK					
Export	2.1	2.1	1.8	1.7	1.5
Import	1.3	1.3	1.2	1.3	1.2
Total	1.7	1.7	1.5	1.5	1.4

Notes :

- 1) Since 1999 the figures include Myanmar
- 2) Since 2000 the figures include Cambodia
- 3) Since 2003 the figures include LAO PDR
- 4) Since 2004 the figures include Vietnam

FLOWS OF INWARD DIRECT INVESTMENT TO ASEAN BY ASEAN'S DIALOGUE PARTNERS *

2000 - 2010

(US\$ millions)

SOURCE COUNTRIES	2007	2008	2009	2010	% Growth
					2010/ 2009
Intra-ASEAN	9,626	9,449	5,271	12,279	
Australia	1,491	787	776	1,765	
Canada	391	661	504	1,641	
China	1,741	1,874	4,158	2,861	
European Union 27	18,611	7,010	9,132	17,025	86.42%
<i>European Union 15</i>	<i>18,249</i>	<i>6,239</i>	<i>8,817</i>	<i>14,870</i>	
Austria	68	137	82	151	
Belgium	157	-502	942	-67	
Denmark	77	937	501	1,433	
Finland	44	25	-35	353	
France	855	562	697	591	
Germany	1,409	664	-207	-56	
Greece	17	2	0	1	
Ireland	1,162	-72	368	789	
Italy	58	61	-32	28	
Luxembourg	737	-784	596	4,975	
Netherlands	5,581	2,619	4,563	1,575	
Portugal	820	1	9	-2	
Spain	68	45	249	264	
Sweden	229	3	-74	126	
United Kingdom	6,968	2,541	1,157	4,708	306.79%
Other EU	362	771	316	2,155	
India	1,453	547	811	2,584	
Japan	8,844	4,129	3,763	8,386	
New Zealand	99	-82	263	93	
Pakistan	21	6	9	31	
Republic of Korea (ROK)	2,714	1,596	1,347	3,770	
Russian Federation	31	81	157	61	
USA	8,340	3,518	4,087	8,578	
CER	1,591	705	1,039	1,858	
Plus Three (3)	13,299	7,599	9,267	15,017	
Plus Six (6)	16,342	8,851	11,117	19,460	
ASEAN-CER	11,216	10,154	6,310	14,137	
ASEAN Plus Three	22,924	17,048	14,538	27,296	
ASEAN Plus Six	25,968	18,301	16,388	31,739	

ASEAN TOTAL	75,650	47,076	38,266	76,208
Share to ASEAN (%)				
SOURCE COUNTRIES	2007	2008	2009	2010
Intra-ASEAN	12.72	20.07	13.77	16.11
Australia	1.97	1.67	2.03	2.32
Canada	0.52	1.40	1.32	2.15
China	2.30	3.98	10.87	3.75
European Union 27	24.60	14.89	23.87	22.34
<i>European Union 15</i>	24.12	13.25	23.04	19.51
Austria	0.09	0.29	0.22	0.20
Belgium	0.21	-1.07	2.46	-0.09
Denmark	0.10	1.99	1.31	1.88
Finland	0.06	0.05	-0.09	0.46
France	1.13	1.19	1.82	0.78
Germany	1.86	1.41	-0.54	-0.07
Greece	0.02	0.00	0.00	0.00
Ireland	1.54	-0.15	0.96	1.04
Italy	0.08	0.13	-0.08	0.04
Luxembourg	0.97	-1.67	1.56	6.53
Netherlands	7.38	5.56	11.92	2.07
Portugal	1.08	0.00	0.02	0.00
Spain	0.09	0.10	0.65	0.35
Sweden	0.30	0.01	-0.19	0.17
United Kingdom	9.21	5.40	3.02	6.18
Other EU	0.48	1.64	0.83	2.83
India	1.92	1.16	2.12	3.39
Japan	11.69	8.77	9.83	11.00
New Zealand	0.13	-0.17	0.69	0.12
Pakistan	0.03	0.01	0.02	0.04
Republic of Korea (ROK)	3.59	3.39	3.52	4.95
Russian Federation	0.04	0.17	0.41	0.08
USA	11.02	7.47	10.68	11.26
CER	2.10	1.50	2.71	2.44
Plus Three (3)	17.58	16.14	24.22	19.71
Plus Six (6)	21.60	18.80	29.05	25.53
ASEAN-CER	14.83	21.57	16.49	18.55
ASEAN Plus Three	30.30	36.21	37.99	35.82
ASEAN Plus Six	34.33	38.88	42.83	41.65