

Brussels, 19 June 1987

ADDRESS AT THE OPENING OF THE ASEAN/EC MEETING

by C.CHEYSSON

(SINGAPORE - 18-20 JUNE 1987)

Yesterday, in the 6+6 meeting, we considered the present economic environment in the world and noted the poor working of the international economy which hinders the return to sustained growth: problems such as volatile exchange rates - on which I could speak for hours -, excessively high interest rates resulting directly from the budget deficit and other imbalances in the most important country of the world, high rates which attract savings into speculative financing and stock exchange dealings rather than into productive investment; decline in commodity and oil prices; constraints met by heavily indebted countries, etc...

However, some of us also underlined elements which give cause for hope: First of all, the ministerial declaration of the OECD which shows that, for the first time, industrialized countries are now fully aware of their responsibilities regarding the present economic disorder, namely the disruption of world agricultural markets.

Let us now turn to bilateral relations between ASEAN and the Community. I shall start with our trade relations.

Last year in Manila I had reported a serious deterioration in our economic relations. Region to region, in 1985 for the first time, there had been a significant decline in our mutual trade. The situation in 1986 has been happily different: your exports to and imports from the Community have grown respectively by 19% and 11% to reach 9 and 8.3 billion dollars, leaving ASEAN a sizeable surplus of 700 million dollars, the largest in a decade. Singapore has been the main importer, Malaysia and Thailand the two main exporters.

The entry into the Community of Spain and Portugal have had a part in the improved situation. But one must also admit that the statistics are biased due to the fall in the US dollar. We must therefore accept that our trade exchanges have not yet reached a satisfactory level, while the rest of our economic and financial relations still shows little dynamism.

You will recall that this lack of dynamism in investment, joint ventures, scientific and technological transfer had been the subject of an exceptional ministerial meeting in Bangkok in the fall of 1985. It was a unique occasion, unprecedented and never repeated, when Ministers of economic affairs of our countries were invited to consider the problem and make recommendations.

It resulted in some major new orientations. It was decided in particular that a working party composed of representatives of business and administration should be set up. Its very concrete and realistic proposals were then adopted last October in Jakarta by our Ministerial Conference. I am pleased to report that there has been a steady and most interesting progress since.

Among the suggestions and recommendations adopted by the Jakarta Ministerial Conference, there was one leading to the establishment in each ASEAN country of a "Joint investment committee" which would consider issues which may hamper increased investment and also initiatives which could provoke more joint ventures between your and our companies. Businessmen and officials of both sides have already met in such Investment Committees in 3 ASEAN countries, Indonesia, Malaysia and Thailand; the remaining 3 Committees are scheduled to follow in coming weeks and the 3 former ones have decided to hold a second meeting still in 1987.

Representatives of both private and public sectors have thus decided to consider issues which might, in some cases, discourage investment, like requirements by the host country of a minimum investment, conditions for foreign ownership and for employment, labour, customs and taxation laws, insufficient protection of intellectual property (copyright, trade marks, patents, counterfeiting), already mentioned in the 6+6 meeting. They have also proposed a number of positive actions to promote investment such as study tours, expert missions, seminars ...

It is too early to pass judgement. But things are moving forward.

* * *

In our 6+1 meeting last year in Manila, we had discussed the development of human resources. There again I can report progress:

- Executive exchange programme for ASEAN participants in European firms where they spend up to 2 months and first European executives in ASEAN companies in the fall this year;
- 18 young ASEAN businessmen in Europe on the first business familiarization programme, for 5 weeks in 5 States, being shown business methods and making business contacts;

- for the third time, 24 business graduates for 2 months in-firm training in 5 ASEAN countries;
- second and third civil aviation courses in air traffic control and airport management in Eurocontrol;
- data bank now available on training opportunities in EC Member countries;
- programmes for senior ASEAN officials and businessmen by the European Institute for public administration, and business management training courses by the Institute for statistics in Fontainebleau; and we now consider a proposal by ASEAN for an ASEAN-EEC management Centre sponsoring relations between institutes of management of the two regions.

Further initiatives also include programmes in the fields of tourism, drug detection, timber technology, vocational training, energy management and - which is most important - the promotion of standards and quality testing common to the ASEAN countries.

Finally, with regard to Scientific and technological cooperation, I note a project, adopted in Jakarta 6 weeks ago, which aims at the setting up of a network of 33 centres in the main ASEAN cities in order to control urban air pollution; the Community will contribute technically and financially.

I should also report that, since 1984, 39 research projects have been launched in the fields of tropical agriculture and medicine in cooperation between Europe and South-East Asian research bodies. 10 have actually been undertaken in your region. The Community has brought technical and financial assistance.

* * *

In brief, we can state that EEC-ASEAN industrial and scientific cooperation has now had a good start in areas where there should be mutual benefit. There is prospect for further development. More systematic programmes will be welcome. Tell us what you consider as possible and suitable. We look forward to new initiatives in those fields.

This, Mr Chairman, was my report on our economic cooperation with ASEAN which, of course, comes on top of our direct cooperation with your Member States for a total of some 80 million US dollars. There is no time left for me to say how interested, I would say fascinated, we are by your forthcoming Summit in Manila. In South East Asia and in every part of the world, especially the third world, we are deeply attached to all efforts directed towards closer regional cooperation. We have experienced the interest of whatever progress can be made between neighbours in the expression and promotion of their solidarity, in the clear and firm assertion of the independence and the identity of each participant. The European Communities are and will always be ready to contribute to the reinforcement and deepening of your mutual relations if, when and as you find proper.