

Keynote Speech

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Minister of Foreign Affairs of Thailand

At the Opening Ceremony of

ACD High Level Seminar on Asia Cooperation

and Development

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Mr. Long Yongtu, Secretary-General of Boao Forum for Asia,

Excellencies,

Distinguished participants,

Ladies and gentlemen,

It is an honour for me to be invited to address this distinguished gathering in Qingdao. I wish to commend the Boao Forum for Asia, the Network of East Asia Think-Tank, and the Saranrom Institute for Foreign Affairs of Thailand for their initiative in co-organizing the ACD High Level Seminar on Asia Cooperation and Development. This Seminar marks the first ever ACD academic gathering. The meeting of minds among experts and academics from all corners of Asia will provide valuable inputs to the Third ACD Ministerial Meeting. Your contribution will serve as a genesis for pragmatic ideas and bold initiatives in moving Asia-wide cooperation forward for mutual prosperity.

Globalization, as we know it, has its own misgivings. Globalization, as we know it, brings benefits to some and sufferings to others. Globalization, as we know it, is inevitable on one hand but must be manageable on the other. All nations, big or small, must learn and has learnt to live with it, some with success, many without. We can see that happening in Asia. At the same time globalization brings with it the world of increased interdependence. That is why a success now in one country could be a success tomorrow in another. Or vice versa. A failure now in one could also breed a failure in another tomorrow. The Asian financial crisis of 1997 was the example in point. That is why there is no other choice for Asian countries but to bind together, making sure that the misgivings of globalization can be managed, making sure that it brings more benefits than sufferings, and making sure that the effects of globalization that are passed on from one country to another are that of a success rather than that of a failure. That is the raison d'etre why we must have the Asia Cooperation Dialogue, the ACD.

Asia is a continent of diversity. We have abundance of resources. We have a long history of civilizations. We have rich cultures and traditions. Diversity can set countries, communities and peoples apart. Diversity can also bring us together. Our differences can be overcome and turned into our strengths and advantages for our competitiveness. The vision of a new Asia is now in its making. Asia's experience in learning to live and tolerate differences, and in building partnership from diversity has laid a strong foundation for an Asian community. I believe that Asia can provide a kind of moral leadership in building a sense of global community amidst the globalized world.

Let us start with Asia that puts aside conflicts and works on engaging in constructive dialogue and constructive cooperation and partnership. Let us start with Asia that learns to turn diversity into strength. And let us start with Asia that learns to leave the bitter part of history behind and live with the promised prosperous future. Those were my Prime Minister's aspirations, when he initiated the ACD in 2002.

At his initiative, Asia Cooperation Dialogue or ACD was established with the strong support of other 17 Asian countries in June 2002. Now comprising 22 countries, the ACD is making progress in tapping into the inherent strengths of Asian countries for mutual prosperity and sustainable development. Cooperation takes the form of annual ministerial dialogues and joint projects in 18 areas of functional cooperation. To encourage cooperation among the diverse membership, a project does not need to have the participation of the majority, but may be launched by a few member countries, with others joining in when ready.

Excellencies,

Distinguished participants,

Global developments certainly give rise to new challenges which can hinder our progress in promoting prosperity. It is timely that the High-Level Seminar will be deliberating on key challenges to Asia's competitiveness. I wish to share some ideas on the core elements that underpin the pace and direction of realizing Asia's strength and potentials.

First, on our competitiveness. One key factor for the enhancement of Asia's competitiveness is the expansion of trade among and within Asian sub-regions through bilateral and regional trading arrangements which serve to capitalize on the diverse resources of the region. The signing of the frameworks for comprehensive economic partnership between ASEAN and China, ASEAN and Japan, as well as ASEAN-India is a testimony to the gradual pace of economic integration in Asia. Such arrangements do not necessarily detract but can indeed add to the WTO process. ICT will also play an important role in building our competitiveness. Asia should concentrate on how ICT can expand trade and reduce poverty in the region.

Second, on our people. For Asia to be dynamic and vibrant, we must go beyond the economic factors. Our large population of various skill, talent, races, and creativity is our most precious resource. Human resource development and capacity-building are imperative in making our region more competitive.

Last week, I attended UNCTAD Eleven in Brazil where we underlined the significance of South-South cooperation in enhancing capacity-building. On Thailand's part, we are not only focusing on promoting our own human resource development, but we are working with our neighbours through strengthening networking of HRD cooperation. This is evident in the work of the Mekong Institute located in Thailand which has been elevated to a regional training center. The Institute in cooperation with developed partners provides training and capacity-building programmes to countries in the Mekong sub-region. The International Institute on Trade and Development which was created in Bangkok two years ago in partnership with UNCTAD is another example for HRD in areas of trade negotiation skill for people in the region.

Third, on Asia's financial stability. Financial stability plays an integral part in sustaining Asia's competitiveness. As prime mover on financial cooperation, Thailand is working closely with ACD partners towards building the region's financial architecture to prevent a repeat of the 1997 financial crisis and to ensure that Asian wealth will be invested more in Asia for Asian prosperity. A key instrument is the development of a regional bond market. The bond market will channel our own savings to be invested in our own region for our own sustainable development and prosperity. This is what my Prime Minister calls the new financial architecture of Asia. He has explained that the development of the Asian Bond market must involve the demand side and the supply side of the market both of equal significance.

This initiative has gained region-wide support through the ACD process, and has been concretized with the creation of an Asian Bond Fund last year. We expect a second Fund to be established in local denominated currency. ACD must be core players on the demand side, especially on this second Fund. Thailand has hosted a series of meetings of experts, officials and academics to explore means for strengthening the bond market's demand, supply and infrastructure dimensions. I believe that Finance Ministries of Asian economies will have to be assertive, outward-looking and work closely together. The stronger financial position of Asia will enable us to be a stronger trade and investment partner with other regions.

Fourth, on energy security. The current energy crisis demonstrates the vital importance of energy resources to our well-being. We cannot afford to shy away from the hard decisions on managing our energy resources. We need to accept reality that we no longer live in an era of cheap oil prices. We need to look long-term and develop our resources. Thailand is exploring prospects of utilizing alternative fuel. The President of Brazil and my Prime Minister discussed the possibility of joint research and development on the utilization of ethanol as alternative fuel.

By seeking new fuel alternatives, we hope to reduce the pressure on oil producers and their resources. We hope to ensure more stability in the oil market and to better conserve and better manage fossil fuel resources. We need to step up cooperation to ensure security of energy supply without further depleting our resources nor further devastating our environment. We need to be forward-looking and pursue joint undertakings

in developing energy efficiency, renewable energy sources, alternative fuels and energy infrastructure networks to sustain energy security.

The Seminar offers a timely occasion to build upon the recommendations of the two working group meetings hosted by Bahrain and the Philippines on energy security. The Third ACD Foreign Ministers' Meeting would provide a much needed political impetus for ACD member countries to formulate a common energy security strategy in response to the current energy crisis. I am glad to see the Seminar focuses on public-private partnership because it is instrumental to the success of energy security strategy.

Fifth, on agriculture. This issue remains central to our economies and the livelihoods of our peoples. Asia is home to both the major exporters and importers of agricultural products. It is also in Asia that we find both food abundance and hunger. We need to address this dichotomy. Moreover, we can see that agriculture is a cross-cutting issue extending from poverty and bio-technology to food-security and international trade. We need to address how to bring modern technology to our farmers, how to prevent trade distortion to enhance agricultural exports, how to prevent standards from being used as non-tariff barriers, and how to ensure food security. A significant step has been made last month by the ACD Ministerial Meeting on agriculture cooperation hosted by China. This first ACD sectoral Ministerial Meeting laid down guidelines for sustainable agriculture development with emphasis on improving the farmers' well-being.

Excellencies,

Distinguished participants, Ladies and gentlemen,

As I said from the beginning, the ACD is a constructive dialogue and cooperation. To be constructive, therefore, it needs inputs and cooperation from all, in particular, the government, private sector, and the academic circle. Thailand as ACD coordinator has requested member countries to designate their academic institutions to engage with the ACD process. Through networking and participation of the think tanks, ACD will be able to broaden its base by covering both the private and peoples' sectors. These institutions would also keep ACD in touch with reality at both the grassroots and policy-making levels. These institutions can provide pragmatic inputs to make ACD an effective and forward-looking regional framework.

As we look ahead to the fourth ACD Foreign Ministers' Meeting next year, Thailand is planning to organize a meeting of ACD think tanks. We intend to lay the groundwork for their role in supporting the ACD and strengthening the academic network.

Finally, I have high hopes that all of you from the academic world of Asia share a similar vision for an Asia community that can provide moral leadership in building strength from diversity for a world of harmony and tolerance. Differences in culture, religion and values should not be allowed to become a source of friction, but should be a basis for the

combining of strengths through partnership and multilateralism. I look to your intellectual and academic inputs to turn this vision into reality.

I look forward to tomorrow's briefing by my colleague Foreign Minister Li Zhaoxing to the ACD Ministers on the fruitful results of the Seminar. Your role and contribution in serving as the academic arm of ACD forms a key pillar in moving Asia forward towards mutual prosperity.

Thank you.