

For circulation.

Opening Keynote Address by
H.E. Dr. Surakiart Sathirathai,
Deputy Prime Minister of Thailand
at the Asia Society's 15th Asian Corporate Conference
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Your Excellency Mr. Somsavat Lengsavad, Deputy Prime Minister and Minister of Foreign Affairs of the Lao People's Democratic Republic,

Your Excellency the Minister of Foreign Affairs,

Dr. Vishakha Desai, President of the Asia Society,

Excellencies,

Distinguished Guests

Ladies and Gentlemen,

I am particularly delighted to welcome the Asia Society to Thailand this year. Just last fall I had the honor to speak at the Asia Society in the United States, both in Washington D.C., on "Two Years of US-Thai Relations" and, later the same week, in New York on "the Path Forward for Thailand in the Fast-Changing Global Economy." So I am triple delighted to meet members of the Asia Society again today for the third time in 12 months. I hope you don't find me monopolizing all your events.

There is no doubt that the Asia Society has always been a leader in promulgating debate on the most timely and relevant issues in Asia and in world affairs. Your conference this year is no exception. Your topic, "Southeast Asia Rising," opens a range of important questions. We heard my Prime Minister laying a foundation for our discussion last night and my successor in the Foreign Ministry will build on it later on.

For my part, I would like to shift your attention to the links between the Rise of Southeast Asia and the broader Rise of Asia in international society.

The rise of Southeast Asia is changing Asia – as the rise of Asia is changing the world. The rise of Southeast Asia only has to be looked at in the context of the rise of Asia. The rise of Asia must be seen in the global perspective. The changes in Southeast Asia must benefit Asia and the changes in Asia must benefit the world. Therefore it is our obligation to ensure that these changes are peaceful, that they spread prosperity, and that they contribute to global respect for our common environment and for the values of our common humanity.

We in Asia must remain open to one another, respecting the diversity of our paths forward, and cooperating with one another as we build our common future. The picture of Asia we look at today is characterized by emerging networks of regional and sub-regional arrangements which serve as building blocks for a prosperous Asian Community. The picture of Asia today is a mark of change in the world political landscape that will play a constructive role in promoting global cooperation and reinforce the foundations of multilateralism.

Distinguished participants,

Be it because of the size of its land, the size of its population, its intriguing history, culture, and diversity, or the sheer size of its economy, any changes that take place in this major geographical part of the world, Asia never fail to attract the world attention. The last two decades, in particular, have drawn all eyes of the world to focus on what had been happening in Asia, and even more so on what had been happening in Southeast Asia.

The late 80's and the early 90's were the decade of economic phenomenon of Southeast Asia. We all heard the mention of the economic tigers of Southeast Asia. The world watched their role in the changing Asia with extreme anxiety. Then just as the world blinked, the roaring tigers of Asia were suddenly restrained following the collapse of the Asian economy in 1997. It would have been hard for Asia to recover, many thought. Dashed was the hope of the 21st rising century of Asia. It would have taken a few decades for Asia to rise back, we heard many commentators suggested. Those were the world's anticipation as it watched Asia and Southeast Asia going down.

But what many may have failed to notice is the resilience and the ability to recover and bounce back of Asia, which is inherent in this continent. It is even inherent in its very name of Asia. Albeit some disagreement, it is believed that the name Asia most probably comes from a word in the ancient Sumerian civilization.

The root word is “*asu*” meaning the light in the sky or an upward movement. The Greek were the first to make that reference to this land referring to the East or the direction from which the sun rises.

No doubt, the rise of Asia just comes naturally.

Distinguished participants,

You don’t need me to tell you that only five years after the worst economic crisis in Asia, Asia is bouncing back. Barely a decade after the 1997 financial crisis has lapsed, do all eyes of the world have to keep close watch once again at the phenomenal recovery of Asia because Asia is rising.

What has happened in the last 4-5 years in Asia is both historic and unprecedented. What has Asia achieved in the last 4-5 years is both phenomenal and impressive. What has been taking place in Southeast Asia in the last 4-5 years plays a major component in the change and the rise of Asia.

History teaches us that societies prosper when they can adapt to confront changes whose shape and timing lie beyond their control. The rise of Asia is just such a change.

Allow me to walk with you this morning through the Asian and Southeast Asian rising experience of the last 4-5 years from Thailand’s perspective. By the end of the walk, I am confident that you would be most proud to have been closely associated with Asia and to have your conference convened in Thailand and Southeast Asia.

First, let me take Southeast Asia and look at ASEAN.

The 1997 financial crisis hit the members of ASEAN and the economies in East Asia the hardest. The roaring tigers of Asia just became timid tamed cats overnight. A silver lining in the sky turned into dark stormy clouds over an instant.

But, as you heard from my Prime Minister last night, Thailand in the last 4 years quickly built our shelter, strong enough to protect us against recurring storms. As we fed the right economic nutrients to different sectors of the society, economically and socially, we further prescribed them with vitamins and minerals to build stronger immunity system. Most importantly, we taught ourselves to be

self-reliant based on sufficiency economy. Thailand's very fast and full recovery came as a surprise to many but not a surprise to any of us in the government. We had known with confidence that our dual track economic policy was guiding us to the right direction because it was a policy based on the outside in approach.

Fortunately, our friends in ASEAN also recover in their own right albeit different scales and speeds. The 1997 crisis and our recovery, surprisingly has turned ASEAN into a more robust and solid cooperation. Naturally ASEAN learnt to adapt. Within 2 years, we could agree on the ASEAN Community based on 3 pillars: the ASEAN Economic Community, the ASEAN Socio-Cultural Community and the ASEAN Security Community, which none of us thought could have been achieved.

It is exciting to see ASEAN drafting economic integration roadmap. It is even more exciting and welcoming to see ASEAN laying down action plans to promote democracy, human rights education, and security cooperation. It is indeed gratifying to see successful elections taking place during the last 3 years in many ASEAN members, for example Indonesia, the Philippines, Malaysia, Singapore, and Thailand.

On the economic front, Thailand and Singapore were persuasive enough to convince our friends to take a new approach in starting things in ASEAN. In the past, the ASEAN minus X formula based on consensus meant that it took so long to start any new development in ASEAN. The new Two plus X formula proposed by Thailand and Singapore shall enable any two members or more, who are ready, to start to tango. The rest will join whenever they are ready.

With the new formula, the ASEAN Community can take shape faster and sooner than originally anticipated. But that left us in ASEAN with problems caused by economic disparity between the old members and the new members of ASEAN. The latter will find it hard and take so long to start the tango.

Thailand happens to border three of the four new members. Despite all the initiatives ASEAN had taken to accelerate growth in Cambodia, Laos, Myanmar and Vietnam, we felt there was more role Thailand can play to further propel their growth to catch up with the rest of ASEAN at a desirable speed.

For this reason, in 2003 Thailand initiated the new economic cooperation strategy based on our principle of “prosper thy neighbor” to bridge the development gap between the old and new ASEAN members. We realized that considering the size of the Thai economy which is 10 times bigger than those of Cambodia, Laos and Myanmar combined, the term “economic cooperation strategy” proposed by a much richer neighbor could have been both alarming and frightening to smaller neighboring economies. We fully appreciated that fact and were fully aware that no international economic cooperation, let alone economic strategy, can be achieved without the presence of political trust.

With this in mind, we knew that since 2001 we had intensively built such unprecedented trust and confidence with our immediate neighbors sufficient to initiate an economic strategy cooperation with them for mutual benefits. We knew that the time was just right. That was exactly why Thailand felt confident we could offer this initiative to our neighbors as our major contribution towards the realization of the ASEAN Community.

The initiative was instantly welcome by all our immediate neighbors. Instead of facing with apprehension and mistrust delay, this economic cooperation strategy, known as ACMECS, became one of the fastest implemented multilateral economic projects Thailand had ever experienced. The cooperation ranges from economic to tourism and human resource development.

With ACMECS as well as other ASEAN initiatives, the new members of ASEAN can be more confident to look forward to the earlier opportunity to start the tango. And then the ASEAN Community shall look ever more promising.

With that looming, ASEAN is also expanding its free trade arrangements with several major trading partners such as Japan, China, and the Republic of Korea. These arrangements and the long-standing cooperation between ASEAN plus three East Asian nations, comprising China, Japan, and the Republic of Korea, the East Asia Community is emerging. The emergence of the East Asia Community, and the East Asia Summit at the end of this year in Malaysia is also attracting new players to East Asia, that is India and perhaps New Zealand and Australia. This latest development, in my view, has led to a new geographical and political landscape of “East Asia”, the one which cannot be overlooked by anyone in this room.

To enhance greater stability, ASEAN is engaging key partners to support the regional order for peace and security by welcoming them to accede to the Treaty of Amity and Cooperation in Southeast Asia (TAC). Within the past two years, key players who have already done so include China, India, Japan, Pakistan, the Republic of Korea and the Russian Federation. I see this unprecedented accession of so many non-ASEAN countries as testimony to the confidence in the rise of Southeast Asia.

That is what has happened in Southeast Asia just in the course of the last few years. That is what has happened in Southeast Asia where only 7 – 8 years ago, many felt would suffer a long downturn syndrome, economically and even politically.

This is Southeast Asia rising and rising fast.

Distinguished participants,

While Southeast Asia is rising and rising fast, other parts of Asia are also moving in tandem.

As for China, what is happening there in term of growth and changes are self-evident and self-explanatory. Let me turn to South Asia, the part of Asia where, plagued with conflicts and mistrust in the past, economic cooperation had been somewhat slower than what the sub-region should deserve.

With its richness in human and natural resources, this sub-region has enormous economic potential, a potential that is only beginning to be realized with the services outsourcing from multinational companies. With its combined population of over 1.4 billion and a growing upper class making up 10-15 percent of that, South Asia is a dream market for every international trader and investor. The opening up of markets and the impressive GDP growth in Pakistan and India will lead to another important pillar of Asia rising, adding to the pillars of East Asia, Southeast Asia, and West Asia or commonly referred to as the Middle East.

With political trust and confidence emerging between members of this sub-region, real economic cooperation within SAARC (South Asian grouping) has become, in the last year or two, an attractive possibility. Thailand had been watching the recent developments in South Asia with appreciation. With our “look west” policy, we realize that the combined potential of South and Southeast Asia is essential for the strength of the rising Asia. To convince you that the emergence of building blocks has contributed to rising Asia, I need to walk you through more names and more abbreviations to examine together those regional groupings which are mushrooming and being strengthened in recent years.

At the sub-regional level, ASEAN of Southeast Asia and SAARC of South Asia have established a channel of cooperation between the two regional organizations. But when I chaired the ASEAN-SAARC meeting with the Foreign Minister of Pakistan last year in New York, I suggested for the first time, the ASEAN-SAARC Foreign Ministers’ Meeting. Various new dimensions were added to our cooperation. A key initiative was the possibility of linking our respective free trade areas, namely AFTA of ASEAN and SAFTA of South Asian countries.

In the meantime, Thailand continued our “look west policy” by accelerating if not reinvigorating the activities of another sub-regional cooperation called BIMSTEC. BIMSTEC is a multidimensional cooperation between some members of SAARC and some members of ASEAN who share geographical link to the Bay of Bengal. The BIMSTEC activities were recharged when its meeting was upgraded to Ministerial level and Thailand offered to host its ever first Summit in 2004. Following that Summit, overnight, BIMSTEC turned from a relatively unknown cooperation into an important sub-regional cooperation with a framework for BIMSTEC Free Trade Area arrangement.

I have just returned from a visit to four Central Asian nations, namely Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan. I was impressed by their potentials for development and their contribution for the rising, stronger Asia. The framework of the Conference on Interaction and Confidence Building Measures in Asia or CICA which comprises many countries in Central Asia has added a security dimension to Asia-wide cooperation. CICA aims at enhancing confidence from differences, and at building a sense of security from diversity and at strengthening a culture of peace and tolerance which are the key elements for promoting economic prosperity. The Shanghai Cooperation Organization (SCO)

which links some Central Asian countries with China and Russia just had its recent meeting held in Astana, the capital of Kazakhstan.

Further to the west of Asia, the Gulf States have their cooperation in the form of the GCC, the Gulf States Cooperation Council. The GCC is not only active amongst themselves, they are forging closer links with other sub-regional cooperation in Asia.

Distinguished participants,

For all its economic progress and despite comprising some of the most advanced economies, Asia is still home to more than 60 percent of the world's poor. The overall potential of the continent must be fully tapped should we place poverty eradication our first priority. Asia may be rising. Different parts of Asia may be rising. But the rise of Asia or any sub-regions of this continent cannot yield the benefits to the people of Asia as a whole if Asia lacks a continent-wide cooperation. Asia needs an Asia-wide cooperation that can pool resources, turn diversity into strength, render Asian potentials into tangible outcome for all sectors of the Asian population.

The Asia Cooperation Dialogue or the ACD that you heard from my Prime Minister last night was initiated in 2002 here in Thailand to serve those purposes.

The ACD marks the first ever pan-Asia cooperation forum to generate partnership and strength of Asia from Asian diversity and differences. This framework represents a new paradigm of cooperation, serving to fill in the missing linkages between existing intra-Asian cooperation arrangements. Now comprising 28 Asian members, the ACD represent members from ASEAN, SAARC, CICA, GCC as well as China, Japan, the Republic of Korea, and Russia. ACD does cover countries representing all sub-regions of Asia.

The ACD is working towards the strengthening of Asia in order to steer the continent towards a community that contributes to global prosperity and sustainable development. The ACD marks an important cornerstone of building an Asian Community. With East Asia Community emerging, stronger cooperation within SAARC, GCC and among central Asian countries, ACD will be the important forum to link these frameworks and evolve into an Asian Community.

In ACD, we have stressed inclusiveness and respect for diversity rather than institutional form. We have quite consciously avoided institutionalization, as we sought to avoid pushing any one nation or government beyond their own comfort level with cooperative endeavors.

No doubt, ACD will continue to grow and expand. As we are doing so, many countries and organizations, even outside Asia, express their interests in engaging with ACD. For the ACD to be mutually beneficial both for Asia and the rest of the world, we must not be shut in.

On the contrary, ACD is ready to reach out to interact and cooperate with partners beyond Asia. By engaging those interested countries, we can reach the ultimate goal of not only to increase Asia's competitiveness and capacity, but also to build Asia as a stronger partner for the global community. We envisage the ACD as the umbrella covering the sub-regional building blocks for the rising Asia.

As Asia is rising, ACD will be strengthened to defy any misperception in the past that Asia was too diverse to cooperate as a continent. Four years ago, many people did not believe that Asia can work together, that ACD can be conceived, and that ACD can deliver results. With 19 projects, ranging from tourism to the Asian Bond market, ACD has started to produce tangible results. With new thinking and new ideas out of the old paradigm of institutionalized cooperation framework, I believe that Asia is ready to head towards the Asian Community that will evolve from the ACD.

Distinguished participants,

I do not only believe in Asia, its potential and its people but I am also a strong believer in open regionalism. I believe in promoting Asian cooperation as a vehicle for global prosperity. I believe in regional building-blocks as an important component of effective multilateralism. That is why Asia is strengthening linkages with Europe and the Pacific. That is why South-South cooperation is also important. Asian links with Africa and Latin America must be further strengthened.

Why do we need to ensure strong and effective regionalism? Why do we need to ensure strong and effective multilateralism? Why do we need new ideas to ensure further cooperation?

Because we live in the world of change. As former Finance Minister, I saw the 1997 Asian economic collapse with regret that the crisis could not have been prevented but was exacerbated partly because Asia lacked effective regional mechanism. A generation of economic progress and prosperity can be gone in a wind of change within one single day in the absence of strong and effective regional foundation for cooperation.

The fast recovery and the rise of Southeast Asia and Asia of the last few years where I took part in its steering in my capacity as Foreign Minister did not arrive without plan and design. We were fully aware that we needed to redress those problems of Asia. We knew that sub-regional building blocks are important as foundation for regional power. We knew that these building blocks must be matched by continental-wide cooperation framework. They were the results of new thinking and new ideas because we knew we needed to redress those problems.

I was glad to share my view of the rise of Asia, the new thinking in coping with changes and challenges in the world for the benefits of Asia and the global community when I recently had the honor to attend the Petra Conference of Nobel Laureates as a guest of His Majesty King Abdullah II of Jordan. Our discussion in Petra made plain the need to risk together, invent together and experiment together. Across the globe, we sense the same dangers and feel the same opportunities. Rich or poor, we desire the same things – peace, prosperity and stability. Strong or weak we cannot continue resisting changes if we want the better.

That is the path Asia and Southeast Asia on the rise is taking. We in Asia will continue to make changes for the better Asia and the better global community. My dear friends from the Asia Society, let's join hands for this endeavor.

Thank you very much.