

Formulating an East Asian Economic Community - Challenges and Opportunities

Forum Day 1
Monday, 7 July 2008

by

Mr. Luong Van Tu
(Panel Speaker)

*Chairman of the Vietnam E-commerce Association (VECOM)
Chairman of the Vietnam Coffee and Cocoa Association (VICOFA)
Former Vice Minister, Ministry of Trade, Socialist Republic of Vietnam*



Good morning Ladies and Gentlemen, dear Students,

First I would like to say thank you to Hitachi and the host country for inviting me to attend the 9th HYLII in Jakarta.

As you have my speech already in your hands, now I would like to make some points.

As you know, in ASEAN, we have some large countries like Indonesia and small countries like Singapore. The populations also vary; Indonesia as the biggest country has more than 200 million people, but Brunei has not more than 300 thousand people. Regarding income and GDP in Asia we also have quite a big difference. For example, in Singapore, they have earnings of about USD 29,000/person/year, but in Myanmar only USD 208/person/year.

The third point is about ASEAN members. You know at the Bangkok Declaration, there were only five original members, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, as the first founders of ASEAN. Afterwards, Brunei joined in 1984, Vietnam joined in 1995, Laos and Myanmar in 1997, and the last one was Cambodia in 1999. So ASEAN now has ten members.

In the beginning, ASEAN concentrated on peace, freedom, and neutrality. Since 1992, ASEAN moved to a period which I think is a very important period for ASEAN countries i.e. economic cooperation. ASEAN started dialogues with industrialized countries. So far ASEAN has very long relations with countries like Japan, China, South Korea, Australia, New Zealand, India, and also the USA, Canada, and the EU.

The economic cooperation that was started with other countries put ASEAN in the center. Some prime ministers consider ASEAN economic cooperation to be like a Boeing, where ASEAN is the body of the Boeing, but it still has a head, a tail, and its two wings. This means the cooperation between ASEAN and other countries.

The next point is very important. Since the declaration in Hanoi, ASEAN set out an ASEAN vision for 2020. It means that at that time it already mentioned an ASEAN economic community.

The sixth point, you know that ASEAN started cooperation with other countries like the negotiations for EPTEA with China, South Korea, Japan, Australia, New Zealand, and India. Now negotiations is moving ahead, and some have already finished, like with China, South Korea, and Japan. But some are still in progress, like with New Zealand, Australia, and India.

Now ASEAN is starting to negotiate with the EU for an FTA, and already has reached Trade and Investment Framework Agreements (TIFA) with the USA.

About the relationship with Japan, that is very important, it is already completed. If we look at the new period for ASEAN, especially if we refer to the Cebu Declaration, the blueprint of an ASEAN chapter is very important. Before ASEAN had that chapter, ASEAN was only formed based on the concept of cooperation, not on economic community. So, when we have that chapter, it means that we go to a new level of cooperation between ASEAN countries.

With this declaration, ASEAN decided to establish an ASEAN economic community by 2015 based on three pillars:

1. Political and security cooperation;
2. Economic cooperation, which is most important and ASEAN has already done many things on that and will continue to do so in the future;
3. Social and cultural cooperation



As you know, you will become an economic community, it was to take about 15 years, but ASEAN is now trying to do it sooner. I don't know if it is right or wrong. The idea of making ASEAN an economic community by 2015 means we have less than 15 years to do so. But this will bring good opportunities for ASEAN countries.

First we can strengthen peace and stability, which is very important for ASEAN countries. If you want to keep investors in the ASEAN countries, you must maintain peace and stability. They not only come here for the money but also for a better life. If we have more stability they will stay for longer, if something wrong happens they will run away.

Second, we must create favorable conditions for economic development, trading, and investment. ASEAN has a very big population, more than half a billion people. The growth rate of this area is very high, and the economy is very dynamic.

The third is preserving cultural identity and diversity among the nations of the ASEAN economic community.

I think other speakers already mentioned some opportunities, so now I'm going to pick some of them, but the challenge is also very big.

First, you know very well about the differences in social regimes, religions, and language. Also there is a difference in the people. But luckily now we are more open, we have no visa requirements, so people can move from one country to another, it is so easy for them to learn about each other and to make friends.



Second are the gaps in our development and resources. This is true because the gaps between the big and the small and the rich and the poor countries are very big. I think if we compare Singapore with other countries, the gap is up to 14 times. Normally it is four to five times, but when you compare Singapore with Myanmar, it is about 14 times.

Many things need to be done for the ASEAN countries and the time for the ASEAN economic community in 2015 is very soon, because now we are already in 2008. We still have about seven years to go. Seven years is long for people's lives, but for ASEAN it is very short. We also need the determination from the leaders. It is very important because they already agreed to set up the ASEAN economic community, but how to get there is not very simple.

In order to conclude my speech in time, let me tell you that in ASEAN, every year we have about 200 meetings. You know how many agreements have already been agreed by ASEAN countries? More than 100 agreements. But how to put them into practice? It is not easy. That is why last year, I already sent some remarks to the ASEAN Secretary General about implementation. We are like a queen bee. At every session, we have passed agreements. We have been busy like bees. We don't know what can happen or how the implementation will go, but we can still agree.

So for the future of ASEAN, the young generation, young leaders, should not only be talking and dreaming, but must also work hard.

Thank you very much.