

SINGAPORE AND INTERNATIONAL LAW

THE objective of this section of the Review is to reproduce materials and information which illustrate Singapore's attitude to, and approaches on, questions of international law and international organisations. As far as possible, primary materials are reproduced but where unavailable, and the topics are important, secondary materials including relevant extracts from newspaper reports are reproduced. The materials are presented under the following headings:

- I. Policy Statements
- II. Legislation *
- III. Judicial Decisions *
- IV. Treaties (other than Asean Instruments) *
- V. Asean Treaties, Declarations and other Instruments
- VI. Singapore in the United Nations and other International Organisations and Conferences

The materials are selective. As the materials are compiled from the Law Library and other sources, it should be stressed that any text contained herein is not to be regarded as officially supplied to the Review. *Singapore & International Law Section Editor.*

I. POLICY STATEMENTS

- (a) *SITUATION IN KAMPUCHEA: Ministry of Foreign Affairs Statement on Vietnam's Military Offensives against Cambodian Refugee Camps (Singapore Government Press Release 09-0/83/04/06, 6 April 1983)*

The Vietnamese cat is out of the bag. Vietnam's recent concentrated assaults against defenceless Khmer civilians in camps at O'Smach and Phnom Chat along the Thai-Cambodian border, and its indiscriminate incursions into Thai territory, are ample proof that Vietnam's protestations about desiring regional talks and a peaceful solution to the Cambodian issue is a mere trick to lull ASEAN into a sense of security.

Vietnam's actual intention is clearly to bully, pressure and intimidate the ASEAN countries to accept negotiated talks under Vietnamese terms that would result in the acceptance of the illegal Heng Samrin regime. Vietnam's Foreign Minister Nguyen Co Thach has also recently made threats that Vietnam is prepared to confront ASEAN if necessary over the Cambodian issue. Vietnam's hypocrisy is such

* There is no material under these headings in this issue.

that it has waited until after the ASEAN-EEC meeting and after French Foreign Minister Cheysson's visit to Hanoi, before launching the attacks on the refugee camps.

Vietnam's latest indiscriminate attacks on the border camps have resulted in over 200 civilians killed and more than 50,000 refugees displaced from their camps. Vietnam has found it necessary to use tanks and heavy artillery fire against defenceless civilians, mainly women and children. What the Vietnamese are now doing is tantamount to committing the same atrocities they claimed they had saved the Cambodians from.

Contrary to assurances by Nguyen Co Thach that Vietnam is not a threat to Thailand, the recent Vietnamese incursions into Phnom Pra show that Vietnam is prepared to disregard Thai territorial integrity and sovereignty in pursuit of its ruthless objective of ending all resistance to its occupation of Cambodia. The international community must strongly condemn Vietnam's actions and support unconditionally, Thailand's right to defend its sovereignty.

Despite the Vietnamese objective, Singapore is confident that the resistance forces of the Government of Democratic Kampuchea, which is the legal government of Cambodia, will triumph over them despite all odds. Vietnam's actions will only serve to strengthen the resolve and determination of the coalition partners to work together to regain the independence of their country.

V. ASEAN TREATIES, DECLARATIONS AND OTHER INSTRUMENTS

- (a) *BASIC AGREEMENT ON ASEAN INDUSTRIAL PROJECTS: 6 March 1980, Kuala Lumpur (ASEAN DOCUMENTATION SERIES 1980, Ref. No. IME.10.112.1)*

THE GOVERNMENTS OF THE REPUBLIC OF INDONESIA, MALAYSIA, THE REPUBLIC OF THE PHILIPPINES, THE REPUBLIC OF SINGAPORE, AND THE KINGDOM OF THAILAND.

Recalling the Declaration of ASEAN Concord signed in Bali, Indonesia on 24 February 1976 which provides that members states shall take cooperative action in their national and regional development programmes, utilizing as far as possible the resources available in the ASEAN region to broaden the complementarity of their respective economies;

Recalling the Agreement on ASEAN Preferential Trading Arrangements which relates to the framework for ASEAN Economic Cooperation;

Desiring to intensify cooperation in the field of industry;

Considering that the establishment of ASEAN Industrial Projects, through joint endeavours in the spirit of equality and partnership, can contribute to the acceleration of economic growth in the region;

Have agreed as follows:

Chapter I

PURPOSES AND PRINCIPLES

Article 1

The purposes of the present Agreement are:

1. To cooperate in establishing large-scale ASEAN Industrial Projects, particularly to meet regional requirements for essential products; and
2. To give priority to projects which utilize the available resources in the Member States and which contribute to the increase in food production and foreign exchange earnings or which save foreign exchange and create employment.

The provisions of this Agreement shall initially apply to the first five ASEAN Industrial Projects. They shall also apply to subsequent sets of projects, unless the ASEAN Economic Ministers decide otherwise. In the event modifications are found necessary in the subsequent sets in the light of experience gained under the first five ASEAN Industrial Projects, such modifications shall be effected in accordance with chapter XVI of this Agreement.

Article 2

The Contracting States, in pursuance of the purposes stated in Article I, shall act in accordance with the following principles:

1. Each Contracting State shall have at least one ASEAN Industrial Project in its country.
2. Upon the allocation of an ASEAN Industrial Project to an ASEAN member country, similar new national projects can only be established after consultation with member countries and also on condition that the basis for the ASEAN Industrial Project is not affected by the proposed new national projects. However, similar national projects which have already been firmly planned and are already in their early stage of implementation before the allocation of the ASEAN Industrial Projects shall be allowed to proceed as national projects. Such projects shall be specified with particulars in the relevant Supplementary Agreement attached hereto.
3. In the allocation of the subsequent sets of ASEAN Industrial Projects, the benefits derived from the preceding ASEAN Industrial Projects shall be taken into account with a view to equalizing benefits in the long term.

Chapter II

EQUITY

Article 3

1. Each of the first five ASEAN Industrial Projects shall have five (5) shareholder entities, except in the case of the ASEAN Industrial Project to be established in Thailand which shall have seven (7) shareholders.

2. Each shareholder entity shall be an agency or company which enjoys support and guidance from its respective Government of an ASEAN Member State and which is nominated by that Government to participate in the ASEAN Industrial Projects.

3. The shareholder entity of the host country shall have sixty per cent (60%) of the total equity of the respective ASEAN Industrial Project, with the balance to be shared by the shareholder entities of the other Contracting States.

4. The amount of equity participation in the shareholder entity by the Government itself, by the private sector in the country and by non-ASEAN interests shall be at the discretion of the respective Governments of the ASEAN Member States concerned provided that each of the Governments of the ASEAN Members States shall have at least one third of the said equity.

5. Majority ownership interest should at all times be held by the ASEAN shareholders.

Chapter III

BOARD OF DIRECTORS

Article 4

1. The Board of Directors of a company that is to undertake an ASEAN Industrial Project (hereinafter referred to in this Agreement as "the Project company") shall consist of not more than eleven (11) members. As far as possible, the Board shall consist of nationals of ASEAN Member States only.

2. In the event it is necessary to appoint nationals of countries which are non-members of ASEAN to the Board of Directors, such appointment shall be approved by the members on the Board who are nationals of the ASEAN Member States.

3. In respect of membership in the Board of Directors of the Project company, membership in the Board of Directors by nationals of countries which are non-members of ASEAN representing portfolio investors who have sufficient capital participation directly or indirectly in the project to warrant participation in the Board of Directors may be considered. Proposed membership in the Board of Directors of the Project company by direct investors representing non-ASEAN interests with operational, marketing, engineering or similar involvements in the project shall be approved by the members on the Board who are nationals of ASEAN Members States.

Chapter IV

FINANCING

Article 5

1. Whenever appropriate and after prior consultations, ASEAN shall approach prospective lenders as a group in securing loans for the ASEAN Industrial Projects.

2. Notwithstanding paragraph 1 above, with regard to each ASEAN Industrial Project, the host country, after prior consultations

with other ASEAN Member States, can act on behalf of the other ASEAN Member States in respect of securing loans, the result of which shall be reported to the other ASEAN Member States.

3. ASEAN Member States shall, in order to obtain the best possible terms in the securing of loans for the ASEAN Industrial Projects, adopt a coordinated approach to the raising of such loans, whether simultaneous or staggered.

4. In the securing of loans for ASEAN Industrial Projects, it would be desirable to negotiate with the intention of attaining the three-fold objectives of:

- (i) securing the maximum amount of concessional loans;
- (ii) securing the greatest possible amount of untied financing; and
- (iii) minimizing direct government guarantees.

In the event that guarantees are necessary, the host country of the project shall be responsible for such guarantees.

5. Each member country shall endeavour to exempt ASEAN Industrial Projects from domestic borrowing ceilings or limits on foreign borrowings.

6. After the incorporation of the Project company, all additional financial requirements further to that initiated by ASEAN Member States, which have been negotiated or are being negotiated up to the time the company is incorporated, shall be the responsibility of the management of the Project company.

7. The Project company shall not be incorporated until all matters pertaining to the Joint Venture Agreement have been resolved.

Chapter V

PREFERENTIAL TRADING ARRANGEMENTS

Article 6

ASEAN trade preferences shall be accorded to the products of the ASEAN Industrial Projects, pursuant to Article 10 of the Agreement on ASEAN Preferential Trading Arrangements.

Chapter VI

TAXATION

Article 7

1. An ASEAN Industrial Project shall be deemed to have its fiscal domicile in the State of the host country and shall be taxable in that State according to the taxation laws of that State.

2. Corporate taxes, withholding taxes, dividend taxes and other forms of taxes applicable to each ASEAN Industrial Project shall be at the prevailing rate unless concessional rates have been granted by the host country of the ASEAN Industrial Project, taking into consideration the various incentives which may be granted under the provision of Article 8 and having regard to the nature and particular circumstances of the project.

3. An ASEAN Industrial Project shall not be subjected in the host country to any taxation or any requirement connected therewith which is more burdensome than the taxation and connected requirements to which similar enterprises in that country are or may be subjected.

4. In the negotiation and conclusion of bilateral tax treaties, special consideration shall be given to ASEAN Industrial Projects.

Chapter VII

INCENTIVES

Article 8

ASEAN countries shall offer ASEAN Industrial Projects the most favourable incentives under existing laws and policies and shall endeavour to make these incentives comparable to the treatment accorded to other ASEAN projects by the other host countries.

Chapter VIII

REPATRIATION OF FOREIGN EXCHANGE

Article 9

The host country shall guarantee the full repatriation of capital and the remittance of returns, including dividends and interest, without undue delay. Such repatriation and remittance shall be allowed to be made in any freely usable currency as defined in the Articles of Agreement of the International Monetary Fund required by the recipient countries.

Chapter IX

PROTECTION OF MINORITY SHAREHOLDERS

Article 10

The majority required for meetings of shareholders and the Board of Directors shall be two-thirds (2/3), whereas the majority required for liquidation, merger, increase and decrease of capital, issuance of debentures, and amendments to the Articles of Association or Articles of Incorporation whichever is applicable, shall be three-fourths (3/4), unless a higher price is required by the respective law of the host country.

Chapter X

PRICING PRINCIPLES

Article 11

1. The products of the ASEAN Industrial Projects shall be sold at world prices between floor and ceiling prices based on minimum and maximum project rates of return, which pricing arrangement shall be applicable to products purchased by or through ASEAN Member States from ASEAN Industrial Projects under long term contracts. However, the floor and ceiling prices may be reviewed in the event of unexpected and abnormal developments or in the event of either exigency in world market conditions.

2. There shall be one free-on-board (f.o.b.) selling price based either on long term contracts, term supplies of any similar contracts for the host country and the ASEAN markets for each product of an ASEAN Industrial Project.

3. Where an identical product is produced by more than one ASEAN Industrial Project, the floor, ceiling and actual free-on-board (f.o.b.) selling prices of such products once adopted for one project shall apply to the other project or projects.

4. The actual selling price shall be determined by the project company based in the prevailing world market prices generally applicable to the ASEAN region.

5. Notwithstanding paragraph 4 above, there shall be:

- (a) A floor free-on-board (f.o.b.) selling price for each product produced by the ASEAN Industrial Project to account for project commercial viability.
 - (b) A ceiling f.o.b. selling price for each product produced by the ASEAN Industrial Project to take into consideration the general protection of the host country and ASEAN consumers.
6. (a) Floor and ceiling prices shall be calculated prior to commencement of commercial operation based on minimum and maximum rates of return on investment calculated by the discounted cash flow internal rate of return on investment (IRROI) method over the economic life of the project.
- (b) Profit used in calculating the minimum and maximum IRROI percentages shall be profit before depreciation and interest on long term debt and after corporate income tax.
- (c) Such floor and ceiling prices shall be adjusted periodically on account of:
- (i) changes in cost of production
 - (ii) currency adjustment

7. Minimum and maximum IRROI percentages shall be assessed for each ASEAN Industrial Project taking into account the relevant factors of the project.

8. The floor and ceiling prices may be reviewed in the event of unexpected and abnormal developments in world conditions or in the event of either exigency. Such developments as aforesaid shall include the conditions when the prevailing world market price exceeds the agreed ceiling price by more than ten per cent (10%) or when the prevailing market price goes below the agreed floor price by more than ten per cent (10%).

9. Selling prices throughout the project life shall be calculated in United States dollars.

Chapter XI

PROJECT SCOPE

Article 12

1. Project cost shall include only the cost of infrastructure which can be shown to be directly a part of the project and only to the extent the infrastructure is required by the project itself and that such infrastructure costs are acceptable to the shareholders.

2. Such portions of infrastructure for the project that are larger than the minimum required by the project or are built to standards higher than needed by the project shall not be a part of the project cost but shall be for the account of the host country.

Chapter XII

INSTITUTIONAL ARRANGEMENTS

Article 13

1. For the purpose of implementing this Basic Agreement and the Supplementary hereinafter specified in Article 16, there shall be a Joint Venture Agreement among the participating shareholder entities from ASEAN Member States for each ASEAN Industrial Project. The Joint Venture Agreement shall be in conformity with the provisions of the Basic Agreement and Supplementary Agreement.

2. The power to approve and review the Joint Venture Agreement shall be vested in the ASEAN Economic Ministers based on recommendations of the Committee on Industry, Minerals and Energy (COIME) in consultation with the Committee on Finance and Banking and the Committee on Trade and Tourism.

3. COIME shall review, supervise and monitor the implementation of the Basic Agreement and the Supplementary Agreement hereinafter specified in Article 16 up to the time of incorporation of the project company. All decisions of COIME shall be taken by consensus.

Chapter XIII

CONSULTATIONS

Article 14

1. Each Contracting State shall accord adequate opportunity for consultations regarding such representations as may be made by any Contracting State with respect to any matter affecting the implementation of this Agreement. COIME may, at the request of any Contracting State, consult with any other Contracting State in respect of any matter for which it has not been possible to find a satisfactory solution during previous consultations.

2. If any Contracting State should consider that any other Contracting State has not carried out its obligations under this Agreement, the affected Contracting State may make representations or proposals to the other Contracting State concerned which shall consider said representation or proposal within sixty (60) days from receipt thereof.

3. If no satisfactory solution is effected between the Contracting States, the matter may be referred to COIME which shall consult with the Contracting States concerned and arrive at a solution mutually acceptable to the States concerned. If no satisfactory solution is arrived at in COIME, the matter shall be referred to the ASEAN Economic Ministers for the final settlement.

Chapter XIV

BANKRUPTCY

Article 15

In order to maintain the required government equity in the shareholder entity, in the event that such entity becomes insolvent, the Contracting State responsible for the shareholder entity shall, without undue delay, arrange the following:

1. Take all reasonable legal means to prevent the shares of the ASEAN Industrial Projects held by the said shareholder entity from being involved in any legal action taken by creditors.
2. If it is necessary for a new shareholder entity to take up all the shares owned by the insolvent shareholder entity, the new shareholder entity shall be accorded the same rights and shall undertake the same obligations as the insolvent entity.

Chapter XV

SUPPLEMENTARY AGREEMENT

Article 16

Special provisions concerning each individual ASEAN Industrial Project shall be set out in a Supplementary Agreement which shall be deemed to be part of this Basic Agreement.

Chapter XVI

AMENDMENTS

Article 17

All articles of this Agreement may be modified through amendments to this Agreement agreed upon by consensus. All amendments shall become effective upon acceptance by all Contracting States.

Chapter XVII

ENTRY INTO FORCE

Article 18

1. This Agreement shall enter into force on the thirtieth (30) days after the deposit of the fifth Instrument of Ratification.

2. This Agreement may not be signed with reservation nor shall reservations be admitted at the time of ratification.

3. This Agreement shall be deposited with the Secretary-General of the ASEAN Secretariat who shall promptly furnish a certified copy thereof to each Contracting State.

4. Each Contracting State shall deposit its Instrument of Ratification with the Secretary-General of the ASEAN Secretariat who shall promptly inform each Contracting State of such deposit.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed the Basic Agreement on ASEAN Industrial Projects.

DONE at Kuala Lumpur, in six originals in the English language this March 6, 1980

For the Government of the Republic of Indonesia
(Signed) Mochtar Kusumaatmadja
Minister for Foreign Affairs

For the Government of Malaysia
(Signed) Tengku Ahmad Rithauddeen
Minister for Foreign Affairs

For the Government of the Republic of the Philippines
(Signed) Carlos P. Romulo
Foreign Minister

For the Government of the Republic of Singapore
(Signed) S. Rajaratnam
Minister for Foreign Affairs

For the Government of the Kingdom of Thailand
(Signed) Upadit Pachariyangkun
Minister for Foreign Affairs

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(b) *ASEAN-EEC JOINT DECLARATION AND COOPERATION AGREEMENT: 7 March 1980, Kuala Lumpur (ASEAN DOCUMENTATION SERIES 1980)*

1. A meeting at Ministerial level between the European Communities and their Member States and the Association of South East Asian Nations was held in Kuala Lumpur on 7 March 1980.

2. Those participating in the meeting were:

On the ASEAN side:

His Excellency Mr. Mochtar Kusumaatmadja
Minister of Foreign Affairs of Indonesia

His Excellency Tengku Ahmad Rithauddeen
Minister for Foreign Affairs of Malaysia

His Excellency General Carlos P. Romulo
Minister for Foreign Affairs of the Philippines

His Excellency Mr. S. Rajaratnam
Minister for Foreign Affairs of Singapore

His Excellency Air Chief Marshall Siddhi Savetsila
Minister for Foreign Affairs of the Kingdom of Thailand

3. On the European side:

His Excellency Attilio Ruffini
Minister of Foreign Affairs of Italy and
President of the Council

His Excellency Mr. Gaston Thorn
Vice-President of the Government,
Minister for Foreign Affairs of Luxembourg

His Excellency Dr. C.A. van der Klaauw
Minister for Foreign Affairs of Netherlands

The Rt Hon. The Lord Carrington KCMG, MC
Secretary of State, Foreign and Commonwealth Office

His Excellency Mr. Robert Urbain
Minister for Foreign Trade of Belgium

His Excellency Mr. K. Olesen
Minister for Foreign Affairs of Denmark

His Excellency Mr. Hans-Dietrich Genscher
Minister for Foreign Affairs of the
Federal Republic of Germany

His Excellency Mr. M. Oliver Stirn
Secretary of State for Foreign Affairs of France

His Excellency Mr. Brian Lenihan
Minister for Foreign Affairs of Ireland

His Excellency Mr. Wilhelm Haferkamp
Vice-President of the Commission of the
European Communities

4. His Excellency Mr. Mochtar Kusumaatmadja acted as spokesman for ASEAN.

5. His Excellency Mr. Attilio Ruffini and His Excellency Mr. Wilhelm Haferkamp acted as spokesmen for the European Communities and their Member States.

6. His Excellency Datuk Ali bin Abdullah, the Secretary General of the ASEAN Secretariat was present.

His Excellency Mr. N. Hommel, Secretary General of the Council of the European Communities was also present.

7. The Ministers of the European Community and ASEAN reviewed matters relating to the world economic situation as a whole as well as the areas of cooperation between ASEAN and the Community within the frame work of the Cooperation Agreement.

8. They agreed that the signing of the ASEAN-EC Cooperation Agreement marks the beginning of a new stage in cooperation between the two organizations and their member states. In affirming their commitment to the principles and to the concrete measures contained in the documents, they confirmed that the Cooperation Agreement is a strong manifestation of the political will of both sides to intensify ASEAN-EC Cooperation.

A. International Relations

9. They emphasised that the increased economic inter-dependence between nations requires continued cooperation in the search for solutions that reflect the mutual benefit, common interest and the responsibilities of the parties concerned.

10. They underlined the urgency of engaging in a new joint effort at international level to deal with major economic issues including those in the field of raw materials, energy, trade, development, money and finance and to formulate a new international development strategy for the Third UN Development Decade. They stressed the importance of the endeavours now underway to start global negotiations in order to deal with these issues of development and growth and pledged to cooperate constructively in resolving outstanding issues in UNCTAD, The North-South dialogue, UNIDO, GATT and in other international and specialized agencies for the restoration of world economic stability leading to a new international economic order.

11. The Ministers welcomed the agreements reached at the GATT MTN. The Community hopes that the ASEAN countries will accede to the results of the Tokyo round, especially the various agreements, and will collaborate actively in putting these into effect. The ASEAN Ministers however noted that the results fell short of ASEAN's expectations. The Ministers welcomed agreements reached in UNCTAD including the Integrated Programme for Commodities as adopted and the International Natural Rubber Agreement. They agreed that these agreements should be implemented speedily in a spirit of cooperation. The Ministers expressed their willingness to continue to cooperate closely to establish other individual commodity agreements or arrangements of mutual interest to the two regions. They also expressed the hope that the current negotiations on the articles of the Agreement on the Common Fund would reach a rapid and successful conclusion, thus enabling the Fund to be put into operation in 1980.

12. The Ministers agreed on the need to maintain free and open trading conditions in order to avoid protectionism and to promote the recovery and restructuring of the world economy through expanding international trade. The Community and ASEAN will improve their commercial cooperation and will extend and diversify their mutual relations through strengthened consultation.

B. Community-ASEAN Relations

13. The Ministers of the European Community and ASEAN expressed their genuine and sincere desire to give impetus and substance to the Cooperation Agreement in a spirit of cooperation and consultation — on the basis of equality, respect and mutual benefit — in order to meet the mutual needs and aspirations of the two regions and in particular to accelerate economic development of the ASEAN region to enhance its role as a cornerstone of political stability in Southeast Asia.

14. The Community expressed its appreciation of the positive steps taken by the ASEAN countries to strengthen their regional cooperation. The Community reiterated its willingness to provide all possible assistance for ASEAN efforts towards closer regional cooperation.

15. ASEAN Ministers welcomed the commitment from the Community to respond to the needs of the region, particularly in further developing an enlightened and positive approach within the framework of its assistance for non-associated developing countries. In particular, ASEAN expresses the hope that the Community would within the framework of its programme develop an evolutionary approach so as to further take into account the specific nature of the development of ASEAN countries which requires long term support. This would enhance and consolidate ASEAN-EC relations in the coming decades. Both parties agreed that there is a need to expand financial resources that can be made available especially through co-financing of projects by the Community and its member states.

16. They reviewed the areas where cooperation between ASEAN and EEC should be developed in the framework of the Cooperation Agreement they have signed.

17. Commercial Cooperation

- a. The Community and ASEAN agreed on the need to develop, expand and diversify their two-way trade to the fullest extent possible.
- b. Both sides undertook to take fully into account their respective interests and needs for, and agreed to work towards, improved market access for manufactures, semi-manufactures and primary products as well as the further processing of resources.
- c. Both parties undertook to consider favourably the possibility of promoting suitable arrangements among economic operators concerning long-term supply of raw materials and commodities, including the field of mining, taking into account commitments in multilateral arrangements such as international commodity agreements as well as producer's processing interests and needs including their desire for the expansion of processing activities and for remunerative and stable earnings.
- d. The Community reaffirmed its attachment to the basic objectives of the generalised scheme of preferences and stated that it would continue with the implementation of this scheme after 1980 in a way which will take fully into account the economic development needs of developing countries including ASEAN.
- e. ASEAN expressed its appreciation for the assistance given by the Community in the past in the field of trade promotion. The Community confirmed its willingness to improve and expand the trade promotion activities for ASEAN and welcomed the establishment of an ASEAN Trade Promotion Centre in the Community.
- f. Both parties reiterated their commitment made in the Cooperation Agreement that they will seek the other party's views insofar as possible where measured are being considered which could have an adverse effect on trade between the two regions.
- g. The Community Ministers noted the interest of the ASEAN Ministers in guarantees within a global context for the stabilization of the export earnings of developing countries, taking into account ASEAN's needs.

18. Economic Cooperation

- a. Both sides expressed their satisfaction at the substantial success of the Jakarta Conference on Industrial Cooperation and pointed out the necessity to follow-up and build upon the result of this Conference. The Community confirmed its intention to continue and intensify the promotion of contracts between economic operators of the two regional groupings in particular through the organization of conferences of a more specific nature and meetings for individual sectors.
- b. The Ministers noted with satisfaction the progress made towards the establishment of the EEC-ASEAN Business Council for relevant business organizations and will support measures to help its formation and its functioning. This Council should provide the natural framework for establishing and fostering the contacts and deepening the mutual knowledge between private economic operators already initiated in Jakarta in 1978. The Ministers stressed that they welcomed positive initiatives for soundly based projects especially those that promote greater regional and inter-regional cooperation.
- c. Both sides recognized the importance of a further expansion and intensification of processing of ASEAN commodities within the region with comparative economic advantage which would have a great impact on and offer wider scope for ASEAN economic development.
- d. The Ministers confirmed their mutual interest in encouraging community member states' investments in the ASEAN countries. They recognized the continuing efforts of ASEAN countries to improve the investment climate in the region and affirmed their readiness to encourage investments in productive fields to enhance development, employment, and the transfer of technology. Accordingly, the Ministers reaffirmed their desire to improve the already favourable investment climate through encouraging the conclusion of investment promotion and protection arrangements between the countries concerned.
- e. Both parties agreed on the necessity to develop their overall cooperation in the economic field with particular stress on the field of mining and energy, particularly non-conventional sources of energy.
- f. The Ministers recognised the increasing importance of the role of science and technology in promoting social and economic development of the developing countries and undertook to intensify scientific and technical cooperation. The Ministers agreed to initiate joint studies to identify priority areas of cooperation between EEC and ASEAN, to strengthen the national scientific and technological capabilities of the ASEAN countries, and to assist in the provision of fellowships, training and consultancy services to ASEAN countries.

19. Development Cooperation

- a. The Community recognises that ASEAN is a developing region. The Community welcomes and will encourage any positive step taken by ASEAN to strengthen its regional cooperation.

- b. In parallel with the projects proposed by individual countries, the Community will take all possible measures to intensify its support, in the framework of its programme in favour of the non-associated developing countries, for ASEAN regional projects. ASEAN undertook to work closely with the Community to facilitate the identification and implementation of regional projects. The Community re-emphasised its willingness to coordinate the development cooperation activities of the Community and its member states in the ASEAN region, especially in relation to ASEAN regional projects.
- c. Both parties expressed their willingness to cooperate for mutual benefit on projects including self-sufficiency on food production in the ASEAN regions, storage and distribution, land development, water utilisation, transportation and communications. Such development cooperation should cover both programmes specifically needed in ASEAN member countries and those covering the region.
- d. Both parties expressed their willingness to strengthen the already existing cooperation in the field of transfer of technology and training assistance. In this context, the Community will continue financing the current programme of seminars on transfers of technology and will expand the training and educational assistance programme for scientific, technical, industrial and related personnel from the ASEAN countries.
- e. The Ministers recognised the importance of encouraging and facilitating greater cooperation in the field of finance, through the promotion of intensified contacts between private and public finance institutions in the member states of the Community and in the ASEAN region.

20. The Ministers reviewed the work of the Joint Study Group and expressed satisfaction with the results achieved so far. In order to give effect to the objectives of the Cooperation Agreement, they agreed that the Joint Cooperation Committee, established under the agreement, should meet as soon as possible, the venue of such meetings to alternate between ASEAN and the Community. The Ministers welcomed the offer of the Philippine Government to host the first meeting of the Committee.

C. Cultural Cooperation

21. ASEAN and the Community agreed to enhance cooperation in the cultural field. In particular:
- a. The Ministers agreed to intensify cultural exchanges so as to promote better understanding among the peoples of the two regions: towards this end, they agreed to promote contacts between cultural institutions, visits and study tours of both regions in specialized fields.
 - b. Some member states of the Community and the Commission agreed to award more scholarships to ASEAN member countries, *inter alia*, in the fields of arts, theatre, library, media, museum, traditional sports and games, languages and literature, archeology, and other aspects of culture and information. They also agreed to coordinate such offers in consultation with ASEAN.

The Ministers agreed that the Cooperation Agreement has ushered in a new era in the relations between ASEAN and the Community and expressed their determination to fully implement the provisions of the Agreement to the mutual benefit of the Governments and peoples of the Community and ASEAN.

CO-OPERATION AGREEMENT BETWEEN INDONESIA,
MALAYSIA, PHILIPPINES, SINGAPORE AND THAILAND
MEMBER COUNTRIES OF THE ASSOCIATION OF
SOUTH-EAST ASIAN NATIONS AND
THE EUROPEAN ECONOMIC COMMUNITY

Conscious that such cooperation will be between equal partners but will take into account the level of development of the member countries of ASEAN and the emergence of ASEAN as a viable and cohesive grouping, which has contributed to the stability and peace in Southeast Asia;

Persuaded that such cooperation should be realised in an evolutionary and pragmatic fashion as their policies develop;

Affirming their common will to contribute to a new phase of international economic cooperation and to facilitate the development of their respective human and material resources on the basis of freedom, equality and justice;

Have decided to conclude a Cooperation Agreement and to this end have designated as their plenipotentiaries:

The Government of the Republic of Indonesia:

Prof. Dr. Mochtar Kusumaatmadja,
Minister for Foreign Affairs;

The Government of Malaysia:

Tengku Ahmad Rithauddeen,
Minister of Foreign Affairs;

The Government of the Republic of the Philippines:

Carlos P. Romulo,
Minister for Foreign Affairs;

The Government of the Republic of Singapore:

S. Rajaratnam,
Minister for Foreign Affairs;

The Government of the Kingdom of Thailand:

Air Chief Marshall Siddhi Savetsila,
Minister for Foreign Affairs;

The Council of the European Communities:

Attilio Ruffini,
President in office of the Council
of the European Communities,
Minister of Foreign Affairs of the Italian Republic;

Wilhelm Haferkamp,
Vice-President of the Commission
of the European Communities

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

Most-Favoured-Nation Treatment

The Parties shall, in their commercial relations, accord each other most-favoured-nation treatment in accordance with the provisions of the General Agreement on Tariffs and Trade, without prejudice, however, to the provision of the Protocol annexed to this Agreement.

ARTICLE 2

Commercial Cooperation

1. The Parties undertake to promote the development and diversification of their reciprocal commercial exchanges to the highest possible level taking into account their respective economic situations.
2. The Parties agree to study ways and means of overcoming trade barriers, and in particular existing non-tariff and quasi tariff barriers, taking into account the work of international organisations;
3. The Parties shall in accordance with their legislation and in the conduct of their policies:
 - (a) cooperate at the international level and between themselves in the solution of commercial problems of common interest including trade related to commodities;
 - (b) use their best endeavours to grant each other the widest facilities for commercial transactions;
 - (c) take fully into account their respective interests and needs for improved access for manufactured, semi-manufactured and primary products as well as the further processing of resources;
 - (d) bring together economic operators in the two regions with the aim of creating new trade patterns;
 - (e) study and recommend trade promotion measures likely to encourage the expansion of imports and exports;
 - (f) seek insofar as possible the other Parties' views where measures are being considered which could have an adverse effect on trade between the two regions.

ARTICLE 3

Economic Cooperation

1. The Parties, in the light of the complementarity of their interests and of their long-term economic capabilities, shall bring about economic cooperation in all fields deemed suitable by the Parties.

Among the objectives of such cooperation shall be:

- the encouragement of closer economic links through mutually beneficial investment;
- the encouragement of technological and scientific progress;
- the opening up of new sources of supply and new markets;
- the creation of new employment opportunities.

2. As means to such ends, the Parties shall, as appropriate, encourage and facilitate inter alia:

- a continuous exchange of information relevant to economic cooperation as well as the development of contacts and promotion activities between firms and organisations in both regions;
- the fostering, between respective firms, of industrial and technological cooperation, including mining;
- cooperation in the fields of science and technology, energy, environment, transport and communications, agriculture, fisheries and forestry.

In addition the Parties undertake to improve the existing favourable investment climate inter alia through encouraging the extension, by and to all Member States of the Community and by and to all member countries of ASEAN, of investment promotion and protection arrangements which endeavour to apply the principle of non-discrimination, aim to ensure fair and equitable treatment and reflect the principle of reciprocity.

3. Without prejudice to the relevant provisions of the Treaties establishing the Communities, this Agreement and any action taken thereunder shall in no way affect the powers of any of the Member States of the Communities to undertake bilateral activities with any of the member countries of ASEAN in the field of economic cooperation and conclude, where appropriate, new economic cooperation agreements with these countries.

ARTICLE 4

Development Cooperation

1. The Community recognises that ASEAN is a developing region and will expand its cooperation with ASEAN in order to contribute to ASEAN's efforts in enhancing its self-reliance and economic resilience and social wellbeing of its peoples through projects to accelerate the development of the ASEAN countries and of the region as a whole.

2. The Community will take all possible measures to intensify its support, within the framework of its programmes in favour of non-associated developing countries, for ASEAN development and regional cooperation.

3. The Community will cooperate with ASEAN to realise concrete projects and programmes, inter alia, food production and supplies, development of the rural sector, education and training facilities and others of a wider character to promote ASEAN regional economic development and cooperation.

4. The Community will seek a coordination of the development co-operation activities of the Community and its Member States in the ASEAN region especially in relation to ASEAN regional projects.

5. The Parties shall encourage and facilitate the promotion of co-operation between sources of finance in the two regions.

ARTICLE 5

Joint Cooperation Committee

1. A Joint Cooperation Committee shall be set up to promote and keep under review the various cooperation activities envisaged between the Parties in the framework of the Agreement. Consultations shall be held in the Committee at an appropriate level in order to facilitate the implementation and to further the general aims of this Agreement. The Committee will normally meet at least once a year. Special meetings of the Committee shall be held at the request of either Party.

2. The Joint Cooperation Committee shall adopt its own Rules of Procedure and programme of work.

ARTICLE 6

Other Agreements

Subject to the provisions concerning economic cooperation in Article 3(3), the provisions of this Agreement shall be substituted for provisions of Agreements concluded between Member States of the Communities and Indonesia, Malaysia, Philippines, Singapore and Thailand to the extent to which the latter provisions are either incompatible with or identical to the former.

ARTICLE 7

Territorial Application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territories of Indonesia, Malaysia, Philippines, Singapore and Thailand.

ARTICLE 8

Duration

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for this purpose, and shall remain in force for an initial period of five years and thereafter for periods of two years subject to the right of either Party to terminate it by written notice given six months before the date of expiry of any period.

2. This Agreement may be amended by mutual consent of the Parties in order to take into account new situations.

ARTICLE 9

Authentic Languages

This Agreement is drawn up in seven originals in the English, Danish, Dutch, French, German and Italian languages, each of these texts being equally authentic.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Agreement.

TIL BEKRAEFTELSE HERAF har undertegnede befuldmaegtigede underskrevet denne aftale.

ZU URKUND DESSEN haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Abkommen gesetzt.

EN FOI DE QUOI, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent accord.

IN FEDE DI CHE, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente accorde.

TEN BLIJKE WAARVAN de ondergetekende gevolmachtigden hun handtekening onder deze Overeenkomst hebben gesteld.

Done at Kuala Lumpur on the seventh day of March in the year one thousand nine hundred and eighty.

Udfaerdiget i Kuala Lumpur, den syvende marts nitten hundrede og firs.

Geschehen zu Kuala Lumpur am siebenten März neunzehnhundertachtzig.

Fait a Kuala Lumpur, le sept mars mil neuf cent quatrevingts.

Fatto a Kuala Lumpur, addi' sette marzo millenovecento-ottanta.

Gedaan te Koeala Loempoer, de zevende maart negentienhonderd tachtig.

For the Government of the Republic of Indonesia
(Signed)

For the Government of Malaysia
(Signed)

For the Government of the Republic of the Philippines
(Signed)

For the Government of the Republic of Singapore
(Signed)

For the Government of the Kingdom of Thailand
(Signed)

**For the Council of the European Communities
 For Rådet for De europæiske Fællesskaber
 Für den Rat der Europäischen Gemeinschaften
 Pour le Conseil des Communautés européennes
 Per il Consiglio delle Comunità Europee
 Voor de Raad van de Europese Gemeenschappen**

(Signed)

1. According to the provisions of the protocol the European Economic Community and a party that is not a contracting party of the General Agreement on tariffs and trade shall, with regard to imported or exported foods, grant each other most-favoured-nation treatment in all matters relating to:

- customs duties and charges of all kinds including the procedures for collecting such duties and charges;
- regulations concerning customs clearance, transit, warehousing or transshipment;
- direct or indirect taxes and other internal charges;
- regulations concerning payments including the allocation of foreign currency and the transfer of such payments;
- regulations affecting the sale, purchase, transport, distribution and use of goods on the internal market.

2. Paragraph 1 shall not apply to:

- (a) advantages granted to neighbouring countries to facilitate frontier-zone traffic;
- (b) advantages granted with the object of establishing a customs union or a free trade area or as required by such a customs union or free trade area;
- (c) advantages granted to particular countries in conformity with the General Agreement on Tariffs and Trade;
- (d) advantages which the member countries of the Association of the Southeast Asian Nations grant to certain countries in accordance with the Protocol on Trade Negotiations among Developing Countries in the context of the General Agreement on Tariff and Trade;
- (e) advantages granted or to be granted within the framework of ASEAN provided these do not exceed those that are granted or may be granted within the framework of ASEAN by member countries of ASEAN which are contracting parties of the General Agreement on Tariffs and Trade.

* * *

- (c) *BASIC AGREEMENT ON ASEAN INDUSTRIAL COMPLEMENTATION: 18 June 1981, Manila (ASEAN DOCUMENTATION SERIES 1981)*

The Governments of the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand:

Mindful of the Declaration of ASEAN Concord signed in Bali, Indonesia on 24 February 1976, which provides that Member States

shall take cooperative action in their national and regional development programmes, utilizing as far as possible the resources available in the ASEAN region to broaden the complementarity of their respective economies;

Reaffirming their desire to collaborate for the acceleration of economic growth in the region, to promote the greater utilization of their agriculture and industries, the expansion of their trade and improvement of their economic infrastructure for the mutual benefit of their peoples;

Convinced that pursuing industrial complementation can greatly contribute to strengthening and broadening the base of the industrial sectors of their respective economies, promoting the greater utilization of their industries and expansion of their trade;

Noting the suggestions on industrial complementation which have been advanced by the ASEAN Chambers of Commerce and Industry (ASEAN-CCI), and the confidence demonstrated by the ASEAN-CCI in the viability of ASEAN industrial complementation;

Affirming that in the economies of the ASEAN countries, the private sector shall continue to be encouraged to play the major role in most of the economic activities including industry and trade;

Desiring to provide the guidelines and institutional framework within which the ASEAN Governmental machinery and the private sector through the ASEAN-CCI may collaborate to identify opportunities, formulate programmes, design projects and agree on measures, for pursuing industrial complementation on the basis of mutual and equitable benefits for the member countries, and increased industrial production for the region as a whole;

Do hereby agree to pursue the ASEAN Industrial Complementation (AIC) as stipulated by the following provisions:

Article I

General Provisions

1. ASEAN Industrial Complementation (AIC) packages shall consist of organized complementary trade exchanges of specified processed or manufactured products as agreed among the ASEAN member countries, guided by the principle of cooperation for mutual and equitable benefits.
2. An ASEAN Industrial Complementation (AIC) product shall be an industrial product manufactured or to be manufactured in an ASEAN member country and allocated to that particular country as its participation in the AIC package. The product thus produced shall be entitled to enjoy the privileges herein provided for products in an AIC package.
3. A participating country in an AIC package is an ASEAN country allocated a specific product or products in such an AIC package. There should be at least four participating ASEAN countries in an AIC package, unless otherwise recommended by the Committee on Industry, Minerals and Energy (COIME) and approved by the ASEAN Economic Ministers (AEM).

Article II

Identification of Products in an ASEAN Industrial Complementation Package

Without prejudice to the right of identification by ASEAN Governments, the ASEAN-CCI shall identify products for inclusion in any AIC package.

Article III

Qualification for Accreditation of ASEAN Industrial Complementation Product

1. An AIC product should be of internationally accepted quality, the price should be relatively competitive and there should be an assurance of continuity of supply.
2. Whenever feasible, the AIC products in a package must be equitably allocated to the participating countries.

Article IV

Privileges and Obligations under the ASEAN Industrial Complementation Programme

1. An existing product in an AIC package shall, from the date of AEM final approval of such AIC package, enjoy exclusivity privileges for a period of two (2) years.
2. A product is deemed to be an Existing product in an AIC package if it is already being manufactured in ASEAN at the time COIME considers that product for possible allocation. Any product not covered by the above mentioned definition of Existing product shall be deemed New.
3. A new AIC Product in an AIC package shall enjoy exclusivity privileges for a period of three (3) years from the actual date of start-up or from the target date of start-up agreed at the time of AEM approval of such AIC package, whichever date comes first. In exceptional cases where a New AIC product in an AIC package requires a longer period of exclusivity, the AEM may consider extending the period of exclusivity by another year.
4. Exclusivity shall mean:
 - (i) For the country allocated a particular product, it would be entirely at its discretion as to how it would organize its production facilities to meet the ASEAN requirements for that product.
 - (ii) For the other participating countries, such countries cannot set up new production facilities or expand existing ones to make the same product as that of the country for which such product was allocated unless 75% of its production is for export outside the ASEAN region.
 - (iii) Notwithstanding paragraph 4(ii) above, the other participating countries' firmly planned projects to produce Existing products in ASEAN and which products have been allocated to another country as part of the AIC package, shall be allowed to proceed. For this

purpose a firmly planned project refers to that which has already obtained written government approval or has already opened letters of credit for the importation of machinery and equipment or has already commissioned the fabrication of such machinery and equipment.

(iv) For purposes of paragraph 4(ii), a production facility is deemed to have been set up when it is in commercial operation.

5. The products in an AIC package shall qualify for preferences, in accordance with the Agreement on ASEAN Preferential Trading Arrangements (PTA).

6. During the period of exclusivity, special preferences outside the PTA can be granted such as mandatory sourcing and recognition of local content, applicable only to specific countries.

7. Privileges and obligations shall only apply to participating countries.

Article V

Institutional Arrangements

1. COIME shall evaluate the proposals for AIC packages received from the ASEAN-CCI and from the Government of any member country in accordance with the provisions, objectives and spirit of this Agreement.

2. COIME shall recommend for the consideration of the AEM the allocation of products in the AIC package to participating countries.

3. After the AEM approval of the allocation of AIC products, the participating countries shall be given a maximum period of six (6) months in the case of Existing products or one (1) year in the case of New products, to negotiate preferences within the PTA scheme and for other special preferences.

4. During the stipulated negotiating period, the obligations under Article IV, paragraph 4 (ii) and (iii) shall apply to those participating countries with product allocation.

5. Upon successful completion of the negotiations mentioned in paragraph 3, COIME shall, within the stipulated negotiating period, recommend to the AEM final approval of the AIC package with any necessary modification, including arrangements for trade preference.

Article VI

Supervision and Review of ASEAN Industrial Complementation Package

COIME shall supervise the implementation of this Agreement and shall review the same from time to time. In respect of all matters concerning the implementation of this Agreement, all decisions of COIME shall be taken by consensus.

Article VII

Miscellaneous and Final Provisions

1. This Agreement shall enter into force on the thirteenth day after the deposit of the fifth Instrument of Ratification,

2. This Agreement may not be signed with reservation nor shall reservation be admitted at the time of ratification.
3. All articles of this Agreement may be modified through amendments to this Agreement agreed upon by consensus. All amendments shall become effective upon acceptance by all Contracting States.
4. This Agreement shall be deposited with the Secretary General of the ASEAN Secretariat who shall promptly furnish a certified copy thereof to each Contracting State.
5. Each Contracting State shall deposit its Instrument of Ratification with the Secretary General of the ASEAN Secretariat who shall promptly inform each Contracting State of such deposit.

In witness whereof, the undersigned being duly authorized thereto by their respective Governments have signed this Basic Agreement on ASEAN Industrial Complementation.

Done in Manila this Eighteenth Day of June, Nineteen Hundred and Eighty-One, in a single copy in the English language.

For the Government of the Republic of Indonesia:

MOCHTAR KUSUMAATMADIA
Foreign Minister of the Republic of Indonesia

For the Government of Malaysia:

TENGKU AHMAD RITHAUDDEEN
Foreign Minister of Malaysia

For the Government of the Republic of the Philippines:

CARLOS P. ROMULO
Foreign Minister of the Republic of the Philippines

For the Government of the Republic of Singapore:

SUPPIAH DHANABALAN
Foreign Minister of the Republic of Singapore

For the Government of the Kingdom of Thailand:

SIDDHI SAVETSILA
Foreign Minister of the Kingdom of Thailand

* * *

- (d) *AGREEMENT ESTABLISHING THE ASEAN PROMOTION CENTRE ON TRADE, INVESTMENT AND TOURISM: 22 December 1980, Tokyo (ASEAN DOCUMENTATION SERIES 1981)*

Japan and the member countries of the Association of South East Asian Nations (hereinafter referred to as the "ASEAN member countries": comprising the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand;

Recognising the vital importance of promoting an increase in exports, flow of investment and tourism in the economic development of the ASEAN member countries;

Convinced that cooperative efforts are necessary to achieve such objectives effectively and that such efforts contribute to the promotion of friendly relations between Japan and the ASEAN member countries;

Have agreed as follows:

Article I

Establishment

1. There shall be established a promotion centre on trade, investment and tourism known as the ASEAN Promotion Centre on Trade, Investment and Tourism (hereinafter referred to as “the Centre”).
2. The Headquarters of the Centre shall be located in Tokyo.

Article II

Purpose

The purpose of the Centre is to promote exports from the ASEAN member countries to Japan, particularly semi-processed and manufactured products; to accelerate the inflow of investment from Japan to the ASEAN member countries through close cooperation between Japan and the ASEAN member countries.

Article III

Activities

To achieve its purpose, the Centre shall undertake the following activities:

- (a) to introduce and publicize in Japan, products industries and investment opportunities and tourism resources of the ASEAN member countries;
- (b) to manage the permanent ASEAN Trade, Investment and Tourism Exhibition Hall within the framework of the Centre;
- (c) to assist and advise, where appropriate, missions from and to the ASEAN member countries on trade, investment and tourism which will enhance the interest of the ASEAN member countries;
- (d) to serve as a channel for the meaningful exchange of information relevant to the enhancement of trade, investment and tourism of the ASEAN member countries including rules and regulations concerning market access, as well as to prepare and analyse data and information, and trends on markets;
- (e) to conduct researches and studies on trade, investment and tourism;
- (f) to provide Members and, as appropriate, related organizations and persons with information on trade, investment and tourism including those mentioned in subparagraph (4) above, as well as the results of researches and studies by the Centre;
- (g) to facilitate, whenever necessary, technical cooperation including transfer of technology related to trade, investment and tourism;
- (h) to maintain close cooperation in the fields of trade, investment and tourism with the Governments of the Members and relevant regional and international organizations; and

- (i) to undertake such other activities as may be deemed necessary to achieve the purpose of the Centre.

Article IV

Membership

Japan and the ASEAN member countries shall become Members of the Centre (referred to in this Agreement as “Member” or “Members”) by becoming parties to this Agreement in accordance with Article XXII.

Article V

Organization

The Centre shall have a Council, an Executive Board and a Secretariat.

Article VI

Council

1. The Council shall consist of Directors. Each Member shall appoint one Director who shall represent such Member on the Council.
2. The Council shall designate one of the Directors as Chairman. The Chairman shall hold office for a term of one year.
3. The Chairman and the Secretary General shall not be nationals of the same Member.
4. The Council shall be the supreme organ of the Centre and exercise, in addition to the powers and functions specified in other provisions of this Agreement, the powers and functions to:
 - (a) decide on the plan of operation and work programme concerning the operation of the Centre;
 - (b) approve the annual work programme and the budget of revenues and expenditures of the Centre within the framework of the plan of operation and work programme;
 - (c) approve the annual report on the operation of the Centre;
 - (d) appoint the Secretary General;
 - (e) assign special functions to the Chairman;
 - (f) determine the powers and functions to be entrusted to the Executive Board;
 - (g) approve the terms and conditions for appointment of the Secretary General;
 - (h) approve the acceptance of assistance referred to in Article X, paragraph 3;
 - (i) consider and adopt amendments to this Agreement in accordance with the provisions of Article XXI, paragraphs 1 and 2;
 - (j) decide on the disposal of the property and assets of the Centre in case of the dissolution of the Centre, and on any other matters connected with the dissolution;

- (k) adopt its own rules of procedures; and
 - (1) decide on and/or approve other important matters concerning the Centre.
5. The Council shall hold an annual meeting and such other meetings as may be decided by the Council. The Council shall also hold a meeting whenever called by the Secretary General with the approval of the Chairman of the Council or at the request of a majority of the Directors.
6. All the decisions of the Council shall be made by consensus.

Article VII

Executive Board

1. The Executive Board shall consist of representatives appointed by Members. Each Member shall appoint one representative.
2. The Executive Board shall elect its own Chairman.
3. In order to ensure an effective operation of the Centre, the Executive Board shall supervise the activities of the Secretariat so that the decisions of the Council are effectively implemented and shall exercise, in addition to the powers and functions specified in other provisions of this Agreement, such powers and functions as may be entrusted to it by the Council. The Executive Board may advise the Secretary General as it may deem necessary.
4. The Executive Board shall report to the Council.
5. The Executive Board shall meet regularly or at any time as may be necessary.
6. The Executive Board may establish, when necessary, ad-hoc committees on matters in various fields which fall within the purview of its powers and functions.
7. All the decisions of the Executive Board shall be made by consensus.

Article VIII

Secretariat

1. The Secretariat shall consist of a Secretary General and such staff as the Centre may require, who shall be nationals of Members.
2. The Secretary General shall represent the Centre as its chief executive and shall be responsible to the Council and the Executive Board.
3. The term of office of the Secretary General shall be three years and he may be reappointed. He shall, however, cease to hold office when the Council so decides.
4. The Secretary General shall, in addition exercising the powers assigned to him express by this Agreement, execute the annual work programme and the annual budget and implemented the decisions of the Council, under the supervision and advice of the Executive Board.

5. The Secretary General shall prepare, *inter alia*, the draft annual work programme, the annual budget estimates and the annual report, and present them for approval to the annual meeting of the Council.

6. The senior staff of the Secretariat shall be appointed by the Council on the recommendation of the Executive Board. The nomination for the senior staff shall be made by the Secretary General. Other personnel of the Secretariat shall be appointed by the Secretary General.

7. The terms and conditions of employment of the members of the senior staff and other personnel shall be set out in staff regulations approved by the Council.

Article IX

Official Language

The official language of the Centre shall be English.

Article X

Finance

1. Members shall contribute to the Centre, in accordance with the respective national laws and regulations, an agreed amount of money necessary for the operation of the Centre.

2. Except for the rent of the permanent ASEAN Trade, Investment and Tourism Exhibition Hall, which shall be born by Japan, the annual budget of the Centre shall be met in the following proportion: Japan: 90 per cent, the ASEAN member countries: 10 per cent.

3. The Centre may, with the approval of the Council, accept assistance on a grant basis from non-Member countries and organizations.

Article XI

Juridical Personality

The Centre shall possess juridical personality. It shall have the capacity:

- (a) to contract;
- (b) to acquire and dispose of movable and immovable property; and
- (c) to institute legal proceedings.

Article XII

Privileges and Immunities

1. The Centre and the persons related to the activities of the Centre shall enjoy, in the territory of the country where the Headquarters of the Centre is located (hereinafter referred to as "the Host Country"), privileges and immunities in accordance with the provisions of Article XIII to XIX.

2. (a) For the furtherance of the purpose of this Agreement, the Centre may conclude, with one or more Members other than the Host Country, agreements on privileges and immunities which shall be approved by the Council.

(b) Pending the conclusion of such agreements, Members shall grant, to the extent consistent with the respective national laws and regulations, such privileges and immunities as may be necessary for the proper operation of the Centre.

Article XIII

Privileges and Immunities on Property, Funds and Assets

1. The Centre, its property and assets shall enjoy immunity from proceedings in the courts except in so far as in any particular case it has expressly waived its immunity. It is, however, understood that no waiver of immunity shall imply waiver of immunity in respect of the execution of judgment.

The provisions of this paragraph shall not apply in case of civil proceedings related disputes arising out of contracts and out of damage caused by a vehicle.

2. The archives of the Centre and in general all official papers and documents belonging to private papers of the officials of the Secretariat shall be held in a place entirely separate from the place where the official papers and documents are held.

3. Without being restricted by financial control, regulations or moratoria of any kind,

- (a) the Centre may hold funds or currency of any kind and operate accounts in any currency;
- (b) the Centre may freely transfer its funds or currency from or to the Host Country, or within the territory of the Host Country, and convert any currency held by it into any other currency.

4. In exercising the right as provided for in paragraph 3 above, the Centre shall comply with the formalities laid down in national laws of the Host Country and shall pay due regard to any representations made by the Host Country in so far as it is considered that effect can be given to such representations without detriment to the interests of the Centre.

5. The Centre, its assets, income and other property shall be:

- (a) exempt from all direct taxes except those which are, in fact, no more than charges for public utility services;
- (b) exempt from customs duties and from prohibitions and restrictions on imports and exports in respect of articles imported or exported by the Centre for its official use; it is understood, however, that articles imported under such exemption shall not be sold in the Host Country except under conditions agreed upon with the Host Country;
- (c) exempt from customs duties and prohibitions and restrictions on imports and exports in respect of the publications imported or exported by the Centre for its official use.

6. While the Centre will not, as a general rule, claim exemption from excise duties and from taxes on the sale of movable and immovable property which form part of the price to be paid, nevertheless when

the Centre is making important purchases for official use of property on which such duties and taxes have been charged or are chargeable, the Host Country shall, whenever possible, make appropriate administrative arrangements for the remission or return of the amount of duty or tax.

Article XIV

Duty-Free Entry and Other Facilities to Products for Promotion

The Host Country shall, in accordance with its relevant laws and regulations, give duty free entry and every facility and assistance in the import of goods and materials of the ASEAN member countries for promotional display and, where appropriate, for subsequent distribution of such goods and materials as free samples. The Host Country shall also, in accordance with its relevant laws and regulations, give every facility and assistance in the subsequent sales of such goods and materials.

Article XV

Facilities in respect of Communications

In respect of its official communications, the Centre shall, in the territory of the Host Country and in so far as may be compatible with any international conventions, regulations and arrangements to which the Host Country is a party, enjoy treatment not less favourable than that accorded by the Host Country to any other international organization, in the matter of priorities, rates and taxes for post and telecommunications.

Article XVI

Privileges and Immunities of the Officials of the Secretariat

1. The officials of the Secretariat shall:
 - (a) be exempt from taxation on the salaries and emoluments paid to them by the Centre;
 - (b) be immune, together with their spouses and relatives dependent on them, from immigration restrictions, alien registration and national service obligations;
 - (c) have the right to import free of duty furniture and effects for the use of themselves and their families at the time of first taking up their post at the Centre;
 - (d) be accorded in respect of exchange facilities treatment not less favourable than that accorded to officials of comparable rank of any other international organizations.
2. The Host Country may not apply the provisions of paragraph 1 of this Article to officials who are nationals of or ordinarily resident in the Host Country.
3. Privileges and immunities are accorded to officials in the interests of the Centre only and not for their personal benefit. Consequently, the Executive Board upon the recommendation by the Secretary General, has the right and duty to waive the immunity of any official in any

case where, in its opinion, the immunity would impede realisation of justice and can be waived without prejudice to the interests of the Centre. The Council of the Centre has the right and duty to waive the immunity accorded to the Secretary General.

4. The officials of the Secretariat to which the provisions of this Article shall apply shall be the Secretary General, senior officials and other officials categories of which shall be determined by the Council. The Secretary General shall notify the Members of the names and addresses of those officials.

Article XVII

Entry Facilities

1. The Host Country shall facilitate the entry of the following persons into its territory where they are visiting on their official missions:

- (a) Directors and representatives of the other Members participating in the meetings prescribed in Articles VI and VII together with their spouses;
- (b) the Secretary General and other officials of the Secretariat together with their spouses and relatives dependent on them;
- (c) other persons invited by the Centre.

2. The provisions of paragraph 1 above does not mean that the entrants mentioned in that paragraph are exempted from complying with national laws of the Host Country relating to entry matters.

Article XVIII

Abuse of Privileges

1. The Centre shall cooperate at all times with the appropriate authorities of the Host Country to prevent the occurrence of any abuse in connection with the privileges, immunities and facilities conferred by this Agreement.

2. If the Host Country considers that there has been an abuse of a privilege or immunity conferred by this Agreement, consultations shall be held between the Host Country and the Centre to determine whether any such abuse has occurred and, if so, to ensure that no repetition of such abuse occurs.

Article XIX

Settlement of Disputes

The Centre shall make provisions for appropriate modes of settlement of:

- (a) disputes of a private law character to which the Centre is a party other than those referred to in Article XIII, paragraph 1; and
- (b) disputes involving any official of the Secretariat who enjoys immunity under the provisions of this Agreement, if immunity has not been waived in accordance with Article XVI, paragraph 3.

*Article XX***Withdrawal**

1. Any Member may at any time withdraw from this Agreement by giving notice in writing to that effect to the Depository Authorities.
2. Upon receiving such a notice, the Depository Authorities shall inform the Members thereof.
3. The Member shall cease to be a party to this Agreement at the end of the fiscal year of the Centre in which such notification is made. Such withdrawal shall not affect the financial obligations of that Member outstanding at the time when its withdrawal takes effect.

*Article XXI***Amendments**

1. Any Member may propose amendments to this Agreement. A proposed amendment shall be communicated to the Secretary General who shall communicate it to the other Members at least six months in advance of the consideration by the Council.
2. Amendments to this Agreement shall come into force upon the adoption by the Council. However, the amendments involving following matters shall require subsequent acceptance by all Members before they come into force:
 - (a) fundamental alteration in the purpose or the functions of the Centre;
 - (b) change relating to the right to withdraw from this Agreement;
 - (c) introduction of new obligations for Members;
 - (d) change in the provisions regarding privileges and immunities of the Centre and the persons related to the activities of the Centre; and
 - (e) other matters determined by the Council as important.
3. Acceptance by the Members of amendments to this Agreement shall be effected by the deposit of instruments of acceptance with the Depository Authorities.

*Article XXII***Signature, Ratification and Acceptance**

1. This Agreement shall be open for signature by Japan and the ASEAN member countries. It shall be subject to ratification or acceptance by the Signatories.
2. Instruments of ratification and acceptance shall be deposited with the Government of Japan and the ASEAN Secretariat, which are hereby designated as Depository Authorities.

*Article XXIII***Entry into Force**

This Agreement shall enter into force on the date on which Japan and all the ASEAN member countries have deposited instruments of ratification or acceptance.

*Article XXIV***Duration**

This Agreement shall remain in force for five years, and thereafter may be extended for additional fixed periods by decision of the Council.

*Article XXV***Deposit**

This Agreement shall be deposited with the Depository Authorities which shall send certified copies thereof to Japan and the ASEAN member countries.

In witness whereof the undersigned representatives being duly authorized thereto, have signed the present Agreement.

Done at Tokyo, in duplicate, in the English language, this twenty-second day of December, one thousand nine hundred and eighty.

For the Government of Indonesia

(Signed) Mochtar Kusumaatmadja
Minister for Foreign Affairs

For Japan

(Signed)

For Malaysia

(Signed) Tengku Ahmad Rithauddeen
Minister of Foreign Affairs

For the Republic of the Philippines

(Signed) Carlos P. Romulo
Foreign Minister

For the Republic of Singapore

(Signed) S. Rajaratnam
Minister for Foreign Affairs

For the Kingdom of Thailand

(Signed) Upadit Pachariyangkun
Minister of Foreign Affairs

**VI. SINGAPORE IN THE UNITED NATIONS AND OTHER
INTERNATIONAL ORGANISATIONS AND CONFERENCES**

- (a) *ASEAN: Speech by Mr. S. Dhanabalan, Minister for Foreign Affairs at the Fifth Meeting of the ASEAN Task Force to Review ASEAN Cooperation on Wednesday, 18 May 1983 in Singapore (Singapore Government Press Release No. 21/May 09-2/83/05/18)*

I would like to extend a very warm welcome to the distinguished members of the Task Force to their Fifth Meeting in Singapore.

In its 15 years of existence, ASEAN has exercised significant influence over the political and economic changes that have taken place

in Southeast Asia. We, members of ASEAN, share certain common values in our approach to economic development. In our relations with each other the paramount consideration has been to preserve good neighbourliness. We have created an area of peace, stability and cooperation which has enabled the free enterprise market economy to bring substantial benefits to our people. At the same time we recognise that there are profound differences in the internal, political, social and economic forces that shape our internal policies. The recognition of these differences has given a pragmatic and realistic underpinning to our cooperation policies. We have not chased grand schemes that can only fail and end in frustration and bitterness. Notwithstanding this, there has emerged among the ASEAN countries a view that the ideas and policies which have spurred ASEAN in the last seven or eight years are ready for a new phase of growth. There is a mood in ASEAN to broaden the terrains of regional cooperation. Along with the justifiable sense of satisfaction at ASEAN's political, economic and social achievements, there runs a strong urge to grapple with some of the obstacles that have constrained regionalism.

The Task Force was established in 1982 by the Foreign Ministers of ASEAN at their meeting in Singapore to study and suggest ideas and policies to advance ASEAN cooperation. It is the first time that ASEAN has set to make a critical appraisal of the past and the future of ASEAN under minimal official restraints. Members of the Task Force are appointed in their individual capacities and do not necessarily speak on behalf of governments. There is a healthy proportion of non-governmental members. There are very senior individuals who have distinguished themselves in politics, government or business. By next month, the Task Force will be ready to present the results of its work to the ASEAN Ministerial Meeting in Bangkok.

ASEAN has become a political factor that is taken into account not only by its individual members in their relations with each other, but also by other important countries whether or not they share the same philosophy and interests as ASEAN. This achievement is one that needs to be consolidated and built upon in the future. The Task Force has already considered some proposals to make political co-operation more effective and systematic among the ASEAN countries. Political cooperation is the product of responses by the ASEAN countries to developments which pose a serious challenge to the stability, well-being and security of countries in the region. It was fortunate that ASEAN was not blind to the unpleasant regional realities. Had that been the case, ASEAN would have become irrelevant today.

Singapore agrees with the basic philosophy underlying ASEAN economic cooperation. We favour a gradualistic approach as it is the only sound and feasible way of making steady progress towards closer economic cooperation in the future when development levels would be much higher all round. This is a long term policy that we have to consider even as our economic growth is linked to the global economy. The search for viable areas of regional economic cooperation has proved sometimes to be vexing. Nevertheless, as demonstrated by the very lively discussions in the Task Force's Meetings, the search shows no sign of flagging and indeed there is considerable interest in new proposals that in the view of some are workable.

ASEAN countries have increasingly understood the importance of their actions to protect common economic interests in relation to third countries. This awareness has been sharpened by the growth of protectionistic policies and measures in the industrialised countries both in the trade as well as service sectors. This is an area of economic diplomacy that is usually conducted on an ad-hoc basis in response to sudden emergencies. There is a basic mechanism in ASEAN for lobbying and protecting the external economic interests of its members. The Task Force can usefully integrate this important aspect of ASEAN economic activity into the overall pattern of ASEAN economic activity into the overall pattern of ASEAN economic cooperation.

ASEAN exists to strengthen the bonds of friendship among the peoples in the five countries. Social and cultural cooperation will serve to promote multi-lateral understanding and the emergence of a sense of regional identity. ASEAN countries can cooperate to encourage public opinion makers in their respective countries to increase their knowledge of and empathy for the national characteristics, socio-economic conditions and attitudes of their ASEAN neighbours.

Cooperation in science and technology is building up at a steady pace. There are good prospects for assistance from dialogue partners that would stimulate regional scientific and technological cooperation. ASEAN would increasingly need a comprehensive policy in scientific and technological cooperation that relates such cooperation to the needs of the ASEAN countries in agriculture, industry and other areas.

The organisational structure or machinery of ASEAN has been an issue for extensive discussions among ASEAN officials in the past. In debating proposals, it would be sensible to bear in mind the objectives for which organisational changes are being suggested. The ASEAN Secretariat, for example, should be strengthened if the specific objectives of such changes are fully understood and agreed to. There is a case to be made for the ASEAN Secretariat to be organised to function more effectively in contributing inputs for recommendations and for executing decisions and policies.

No one expects the Task Force to produce in a space of a year, a blueprint for the next one or two decades of ASEAN. The Task Force would have fulfilled its function if it generates for us certain broad ideas and proposals that would guide the governments of ASEAN in taking the next steps towards closer cooperation. I wish your deliberations well.

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- (b) *ASEAN: Speech by Mr. S. Dhanabalan, Minister for Foreign Affairs at the 16th ASEAN Ministerial Meeting in Bangkok on 24 June 1983 (Singapore Government Press Release No. 36/June 09-2/83/06/24)*

I have great pleasure in congratulating His Excellency Air Chief Marshal Siddhi Savetsila on his election as the Chairman of our meeting. I also thank the Royal Thai Government for its warm and generous hospitality, and its hard-working officials who have spared no effort in making our meeting efficient and productive.

Bangkok has a special significance for ASEAN. It was here, 16 years ago, that Thailand, Indonesia, Malaysia, the Philippines and

Singapore formed the Association of Southeast Asian Nations. It was a far-sighted and courageous decision. There was nothing in the history of the region that suggested that regional cooperation would inevitably succeed. But ASEAN succeeded. It is here to stay.

Today, every nation in Southeast Asia continues to face two challenges; the protection of its independence and integrity from external threats and internal subversion; and the improvement of the standard of living of its peoples. ASEAN countries share a common interest with other Southeast Asian nations in meeting these challenges. But where ASEAN is succeeding, others are not. After 30 years of war and bloodshed, hunger and poverty are still the lot of the peoples of Vietnam, Cambodia and Laos. The tragedy is that their suffering is no longer necessary. ASEAN's success demonstrates that war and poverty need not be the inevitable lot of countries of this region. Neither is the division of Southeast Asia into two antagonistic blocs preordained.

Antagonism between ASEAN and Vietnam is in neither's interest. A Southeast Asia in which its nations are torn by conflict is vulnerable to the manipulation of external powers and to its progressive political and economic disintegration.

For nearly five years now, the ASEAN states find themselves in conflict with what they consider a Vietnamese threat. We did not seek this conflict nor do we seek to resolve it by bringing Vietnam to its knees. A resilient and independent Vietnam; a reconstructed Vietnam; a Vietnam able to offer its people peace and prosperity, is in ASEAN's interest. ASEAN would welcome the participation of Vietnam and the other Indochinese countries in a regional order that would allow peaceful co-existence and cooperation between states of different ideologies and diverse political and economic systems.

But such a regional order cannot be realised if the states of the region do not respect each other's sovereignty and independence and if they do not forswear resort to force or subversion in settling differences or promoting their ideology. If these principles are not upheld, a peaceful Southeast Asian regional order will be but an empty hope.

It was precisely because Vietnam's actions nearly five years ago struck at the heart of these fundamental principles and jeopardised the evolution of a stable and peaceful regional order in Southeast Asia, that Singapore and the other ASEAN countries were forced to oppose the invasion of Democratic Kampuchea and the installation of a regime that would not survive without the presence of foreign forces.

We do not object to Cambodia's participation in a truly voluntary regional association of Indochinese states that respects its independence. But we cannot acquiesce in an Indochina grouping imposed by bayonets.

Vietnam has said that its invasion and occupation of Cambodia are intended only to ensure its security. ASEAN does not deny that Vietnam has the right to be concerned with security. It is for this very reason that ASEAN seeks a neutral Cambodia that will not be a threat to any of its neighbours. ASEAN is also concerned, as

Vietnam claims it is, that the Cambodian people should not be forced to accept any regime or group of leaders through force of arms. Neither ASEAN nor Vietnam or any outside power has the right to impose its views on the Cambodians. However as members of the international community, we have the obligation to create conditions which will ensure that the Cambodian people can exercise self-determination without being subject to coercion and armed intimidation.

We in ASEAN invite Vietnam to join in the search for a process which would result in the total withdrawal of Vietnamese forces and in the establishment of a neutral Cambodia. Vietnam's acceptance of a neutral and independent Cambodia would demonstrate that it has no hegemonistic ambitions.

But if Vietnam is unwilling to join such a process, we can only conclude that there is a more sinister explanation for its invasion and occupation of Cambodia.

If Vietnam refuses to relinquish military control over Cambodia, we can only conclude that Vietnam's ambitions are hegemonistic, motivated by dreams of being the flag bearer for forcibly converting our region to its Communist ideology. If this is the case, then ASEAN must negate this threat by mobilising, in every possible way, its strength to thwart Vietnamese ambitions. We will continue as we have successfully done in the past four years to rally world opinion and the patriotic Kampuchean people to fight and end alien occupation.

These are the choices. Vietnam holds the future of relations between ASEAN and Indochina in its hands. ASEAN can only hope that Vietnam will make its choice with wisdom and foresight.

I began by defining the twin challenges that face all of us. The protection of our independence and integrity is closely related to the welfare of our peoples.

ASEAN's ability to establish a common diplomatic position on the Cambodian problem has buffered us from the repercussions of revolution, subversion and aggression in Indochina and created a climate of stability and security for its members. This has underpinned the economic dynamism of its members. The political stability created by ASEAN has boosted the confidence of investors in our countries and stimulated natural economic forces in each ASEAN country.

Stability and confidence provide the foundation for successful economic development programmes based on foreign investment and export-led growth. ASEAN will not achieve economic integration on the scale of the EEC in the foreseeable future, but it can, and has, acted as a catalyst that would enable national policies to yield maximum returns by creating conditions that will allow, in each member country, the free and effective operation of market forces. We will continue to move gradually towards increasing intra-ASEAN trade through the Prices and Tariffs Agreement mechanism, but the broader role of ASEAN will continue to be more important than the growth of specific formal intra-ASEAN economic linkages.

At a time of recession, our greatest economic challenge has been to defend the international free trade regime from attack by protectionist

forces. We have, at the same time, tried to improve ASEAN's collective market access to the developed countries. This has not been easy. We need to be better organised to be more effective.

We need to organise ourselves not only to face the consequences of the economic recession in the developed countries. We need to organise to meet the situation beyond the recession. The international economy must recover. Even if there is a collapse of the international economy triggered by massive debt 'defaults', the world economy must recover at some point. It will, if it has learnt from past experience, recover more rapidly than it did from the depression of the 30's. We must prepare for this recovery. The recovery from the present recession will not mean back to business as usual. The industries of the developed countries will undergo profound technological changes. Robotics and computerisation will revolutionise production processes in the way that the steam engine did in the 18th century. The natural advantage of cheap labour that developing countries have had will be swiftly eroded. Unless we acquire new skills, identify new opportunities and absorb new ideas we will be left on the wayside of development. As a regional group with a special relationship with our Dialogue partners, we can mobilise our organisational and technical resources to meet these new challenges.

While we explore means of using ASEAN to enhance the standard of living of our peoples, we should not lose sight of the fact that ASEAN is not an exclusively economic organisation, but a more rounded collectivity encompassing political, cultural and social dimensions. It is a collective instrument to meet common external problems; a vast network of communications among member governments linked by projects in a wide spectrum of areas.

Cooperation in the political, cultural and social fields has progressed slowly and quietly but steadily. But ASEAN is more than the sum total of its projects. ASEAN is also an emerging regional consciousness. Political, cultural and social cooperation should be closely examined to discover more effective ways of promoting ASEAN consciousness among the opinion-makers and general population of our countries. The reality of ASEAN can also be expressed through the psychological and emotional reflexes of our peoples. These intangibles define the essence of any community. They need not find expression only through governmental channels, but we can look forward to, and work towards, making ASEAN a regional community that would make its impact on every facet of our societies and the lives of our peoples.

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- (c) *INTERNATIONAL LABOUR ORGANIZATION: Speech by Mr. Eugene Yap Giau Cheng, Parliamentary Secretary, Labour, at the 69th Session of the International Labour Conference in Geneva on 3 June 1983 (Singapore Government Press Release No. 4/JUN 12-3/83/06/03)*

The problems of child labour have been effectively highlighted by the Director-General in his report to the Conference. The sight of children at work evokes a sense of pity. However, it is most detestable to note that there are some employers who would have no compunction to exploit these children for the employers' selfish economic gains.

The Director-General has quite rightly pinpointed the root cause of child labour on poverty. Children work because their families need the extra income to supplement the families' meagre earnings. The least that Governments could do is to provide adequate protection for child workers and enforce strictly laws and regulations to prevent exploitation of child labour.

While the problems of child labour are of concern to many countries, a more pressing problem confronts all of us. I am referring to the issue of employment. This issue is also related to the problems of child labour. By adopting policies aimed at promoting adult employment and raising their income levels, the need for children to work will be eliminated.

The International Labour Organisation (ILO) has made significant contributions in the areas of labour standards and employment promotion. It is hoped that the Organisation would now devote its attention to help check the high global unemployment rate. The task will not be formidable, considering the vast resources and expertise that the ILO can muster to undertake the assignment.

International labour standards would have more relevance if more people can obtain gainful employment. For, unless the basic necessities are first satisfied, any hope of meeting the international labour standards would be unattainable.