

## SINGAPORE AND INTERNATIONAL LAW<sup>+</sup>

THE objective of this section is to reproduce selected materials which illustrate Singapore's position in international law in the context of the six headings set forth below:

- I. Policy Statements
- II. Legislation\*
- III. Judicial Decisions\*
- IV. Treaties, Declarations and other Instruments (other than those of ASEAN)\*
- V. Association of Southeast Asian Nations (ASEAN) Treaties, Declarations and other Instruments
- VI. Singapore in the United Nations and other International Organisations and Conferences

The materials are compiled from various sources, including Singapore Government Press Releases. It should be stressed that any text reproduced herein is not to be regarded as officially supplied to the *Singapore Journal of Legal Studies*.

### I. POLICY STATEMENTS

- (g) "*THE ASIAN REGIONAL ECONOMY: GROWING LINKAGES, GLOBAL IMPLICATIONS*": Keynote address by BG (RES) Lee Hsien Loong, Deputy Prime Minister of Singapore, at the Asia Society Conference, at the Taipei International Convention Centre on Friday, 8 May 1992 (Singapore Government Press Release No: 07/MAY, 15-1/92/05/08)

Over the last four decades, global trade has consistently grown faster than world GDP.... Countries have become steadily more dependent on trade for promoting further growth, and thus more reliant on a sound and open world trading system. It has therefore become more crucial that the trading system should be maintained, and if possible strengthened.

The GATT Uruguay Round negotiations have dragged on inconclusively since 1986. In the five years since the talks began, world trade has continued to grow. While protectionist pressures have increased in Europe and the US, many other countries have concluded that promoting international trade and foreign investments is the way to progress.

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\* There are no materials under this heading in this issue.

+ Continued from [1992] S.J.L.S. 240.

In the Asia Pacific, intra-regional linkages have grown even faster than inter-regional trade. The NIEs have continued to develop, and other countries like the ASEAN group are progressing towards NIE status. New forms of regional economic cooperation are developing. The Asia Pacific Economic Cooperation (APEC) forum brings together all the major economies in the region. But even where formal structures have not been created, the momentum towards closer economic cooperation has been overwhelming, for example in South China and on a smaller scale in ASEAN.

These regional efforts at economic cooperation complement, but will not replace, a proper multilateral trading framework. They will enhance the region's competitiveness and negotiating influence. Should the Uruguay Round fail, the arrangements will cushion the impact on the region, although they will not replace GATT.

### The Uruguay Round

The Uruguay Round is the most ambitious set of trade talks ever undertaken... The developed countries brought a new agenda to the Uruguay Round. GATT had hitherto covered only merchandise trade. But trade in services formed 20 per cent of total world trade... The developed countries saw considerable potential for further expansion of services trade. They felt that services such as banking, telecommunications, and professional services would be areas of strength. They wanted to bring services trade into GATT, and work out multilateral rules to replace the existing ad hoc and often capricious bilateral arrangements. They also wanted to discuss so-called "trade-related" issues – issues which many countries treated as domestic policy, but which could have a bearing on trade flows, for example foreign investment rules and protection of intellectual property.

Agriculture was also brought into the negotiations. Like services, agriculture had been kept out of GATT and treated as a domestic policy matter. But it was increasingly becoming an international trade issue. The amounts of agricultural subsidies had grown enormously, especially in the EC. The consequences spilt over into other countries, sometimes causing serious problems. Countries like Singapore, which import nearly all their food, enjoyed low world agricultural prices without complaining. But Australia and New Zealand have economies which are heavily dependent on agricultural exports. The US found it politically untenable to buy cheap food from abroad and allow their own farmers to go out of business. The countries felt an urgent need to reform agricultural subsidies, and to do so on a coordinated basis.

The issue was not the right of countries to subsidise farmers, which they may wish to do for any number of legitimate social and political objectives. It was rather the need for countries to help their farmers in ways that did not stimulate wasteful over-production, depress international markets, and affect other food producing countries...

...The Uruguay Round has made considerable progress in many areas of the talks, such as services, dispute settlements, and intellectual property rights. However, an overall settlement has been held up by one outstanding thorny problem – agriculture. This remains unresolved between the EC and the US, or rather, as the US has pointed out, between the EC and many other GATT participants. The Japanese Foreign

Minister has said publicly that Japan will have to replace its total ban on rice imports with tariffs. But the EC, especially France, have not been able to agree to changing the Common Agricultural Policy in the way other GATT participants want.

Except for Japan and perhaps Korea, East Asian countries have little stake in agriculture. Our overriding interest is in a successful outcome to the GATT Round which will allow the region to continue growing rapidly. Yet we find our prosperity held potentially hostage to the problems of European farmers. That is the nature of an interlinked world.

### Trends in World Trade

... "*Fair Trade*". One sign that the trading system is under strain is the increasing emphasis in many countries on "fair trade" rather than "free trade". From the point of view of economic theory, fair trade is not a useful concept, because countries benefit from practising free trade whether or not their trading partners also do so. If your trading partner is "unfairly" subsidising a particular industry, your best strategy is not to try to match his subsidies in order to keep your own corresponding industry alive. Instead you should take full advantage of his subsidies by importing cheap products from him, and shift your own production into other business areas which he is not subsidising.

But politically, the idea of fair trade is indispensable. Governments have to maintain domestic support not only from consumers but also from producer groups. They find it very difficult to explain to workers put out of work by foreign subsidies that the best thing for them to do is to quit and try something else. Japan's trade problems with the US have been aggravated beyond the numerical significance of the bilateral trade imbalance, because the Japanese have had difficulty convincing Americans that their trade practices are indeed fair. Especially with the US, the sense of fair play is essential to sustain domestic support for free trade policies.

Unfortunately, the vagueness of the idea of unfairness makes it an ideal cover for protectionist action. The premise that exporters should charge at least a fair price for their goods, and should be restrained by law from charging less, generates a fertile field for trade litigation. Anti-dumping investigations, customs valuation practices, and countervailing duties have become sophisticated instruments of delay and harassment.

To resolve complaints of unfair trade, GATT has a formal dispute resolution mechanism. But countries with trade problems are now increasingly bypassing the GATT framework to act on their own. They are putting less trust in multilateral disciplines, and relying more on unilateral measures like the US Super 301 actions. In the UR talks the developed countries want to change GATT rules to widen the scope for unilateral actions, thus legitimising previously illegal actions.

*More Openness...* In Mexico, President Salinas has abandoned decades of reliance on state planning, and opted for free competition and access to foreign markets through NAFTA. The PRC's economic reforms and open door policies are making it increasingly dependent on the international economy for both markets and investments. In India, the government of Mr Narasimha Rao has given up the pursuit of self sufficiency, and is progressively dismantling the licence Raj despite domestic political

opposition. In a recent Newsweek interview, his Finance Minister, Mr Manmohan Singh, replied sharply to the criticism that India would import Coca-cola and lipsticks when the country has different needs...

... The same logic is taking hold in ASEAN. Malaysia is liberalising as it industrialises. Thailand started to reduce tariffs during the Prime Ministership of Anand Panyarachun. Indonesia is progressively emboldened to act as it sees the results of its first steps towards liberalisation. For example, Indonesia had always insisted on local equity partnership for foreign investments. Two years ago, they decided to allow 100 per cent foreign ownership of investments on Pulau Batam, an island in the Riau province near Singapore, where Indonesian and Singapore companies are jointly developing an industrial estate. Within months, several dozen MNCs had signed up to set up factories in Batam, creating 10,000 new jobs. Now the Indonesian government has allowed 100 per cent foreign ownership of investments in other parts of Indonesia as well.

Most of these countries are still far from being free traders. Their domestic markets are still far less open than those of the US, never mind Hong Kong or Singapore. In the context of the GATT talks their policy changes do not amount to dramatic gestures, but cumulatively, they are nevertheless significant steps in the right direction.

These reforms will succeed only if the developing countries can plug into a functioning multilateral trading system. If their shift towards freer trade and greater inter-dependence is frustrated because the developed countries cannot or will not absorb their exports, they will not be the only losers. Rapidly growing outward-oriented economies import far more than stagnant non-exporters. In the decade from 1980 to 1990, as Asia's exports to the rest of the world tripled, so did its imports... If exports from these countries are restricted, their growth will slow, and their imports will also shrink. Developed countries will discover their overseas markets contracting. Emerging economies which find no rewards for making painful adjustments will slip back. Economic problems will lead to political ones.

This danger is greatest in the case of the PRC. Its rapid development promotes the security and prosperity of the whole Asia Pacific region, and generates opportunities for trade and investments. It ensures that China will be a benign, prosperous power, which will help to maintain and build upon the status quo which it benefits from. A China unable to trade freely, whose reforms are thwarted by lack of market access, whether for political or trade reasons, will be an unstable, difficult neighbour. Its problems will spill over to its neighbours, and its instability will set back the entire region.

*Regional Arrangements.* The opening up of the regional economies has coincided with a proliferation of regional trading arrangements. In Europe, where the EC and EFTA long predate the Uruguay Round, the EC has formed a Single European Market, and EFTA has agreed to join the EC in a huge European Economic Area. In America, the US has concluded a free trade agreement with Canada, and is currently negotiating with Mexico to form the North American Free Trade Area (NAFTA). President Bush talks about an Initiative for the Americas, a free trade zone stretching from Alaska to Cape Horn. In the Asia Pacific, the APEC forum is not yet a trading arrangement, but may in time develop into one.

These are GATT-legal, trade-enhancing, rather than trade-diverting, arrangements. They reflect a widely felt need for countries to have something more to

complement GATT, perhaps out of unspoken doubts about the durability of the GATT system. If the Uruguay Round fails, they will give the countries something to fall back on, but they will also be fault lines along which trade blocs may form.

#### Developments in Asia

In Asia, closer regional linkages have developed as the NIEs and Japan (except recently) continue to thrive, and new countries, especially the PRC and ASEAN, start taking off... Investments in the region have increased, not only from Japan, EC and US. Taiwan and South Korea have become major exporters of capital. As these two countries developed, they have upgraded their domestic industries to move up the technology ladder, and shifted their older industries offshore, just as the developed countries and Japan did earlier. One-third of foreign investments in the ASEAN countries of Indonesia, Malaysia and Thailand now comes from the NIEs...

*APEC.* The most comprehensive regional economic arrangement in the Asia Pacific is APEC, which includes all the major economic players on both sides of the Pacific – the US, Japan, ASEAN, the NIEs, the PRC, Australia, New Zealand and Canada. APEC was only formed in 1989, but it has proved a useful forum for discussing global economic issues, and addressing the frictions inseparable from rapid growth. The next step for APEC will be to achieve more concrete results in its work projects, especially cooperation on human resources development, and develop a more focused agenda on trade cooperation. Mexico and many other Pacific Rim countries have expressed strong interest in joining APEC, so the grouping obviously fulfils a need. It is a matter of time before APEC is further enlarged.

*EAEC.* When this happens, the question of subgroups of APEC is bound to emerge. In a different context, Malaysia has proposed the East Asian Economic Caucus (EAEC), to bring together just the Asian economies, which are likely to have a greater congruence of interests than is possible among the more diverse group of APEC members. The US has objected to the EAEC proposal, stating its concern that the EAEC will divide the Pacific down the middle. But the US has also said that it does not in principle object to an East Asian grouping which promotes trade, and complements APEC in the same way that NAFTA will. It should not prove impossible to formulate the idea of such a grouping in a way which enables the East Asian countries to maintain and strengthen their economic ties with the US.

*The South China Subregion.* At the sub-regional level, the most notable example of informal economic cooperation is South China, encompassing Hong Kong, Taiwan, the Special Economic Zones (SEZs) in the PRC like Shenzhen, Zhuhai and Xiamen, but radiating well beyond the SEZs to the whole of Guangdong and Fujian provinces. This entire area is developing explosively. Industrial production in Guangdong province increased by 27 per cent in 1991, and gross domestic output by more than 15 per cent.<sup>1</sup> Hong Kong companies have cumulatively invested US\$16 billion in Guangdong province, creating two to three million jobs.<sup>2</sup> The Pearl River delta has become an extension of Hong Kong, following Hong Kong time, watching Hong

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<sup>1</sup> Economist Intelligence Unit Country Report on China and North Korea, No 1 1992.

<sup>2</sup> *The South China Miracle*, The Economist, Oct 5 1991.

Kong television, sharing the same impatient desire to get ahead and do well. Fujian province and Taiwan have evolved a similar relationship. Without any formal arrangements, and indeed in the absence of direct contacts between China and Taiwan, a close synergistic relationship has developed, transcending national boundaries.

*ASEAN.* Similar developments are taking place on a smaller scale in ASEAN. The Growth Triangle comprising Singapore, Johor State in Malaysia, and Riau province in Indonesia is a smaller version of the South China configuration. It offers businessmen the same combination of abundant land and labour and low costs with the comprehensive infrastructure and modern amenities of an NIE, and enables investors to make use of the different strengths of each corner of the triangle to maximum advantage.

At the ASEAN Summit in January this year, the leaders agreed to form an ASEAN Free Trade Area within 15 years. Compared with the goals of the SEM or NAFTA this is a modest proposal, but it reflects a fundamental change in thinking among the ASEAN countries...

### Prospects for World Trading System

How then, is the world trading system likely to develop? It is not realistic to expect an ideal system of completely free trade to emerge, because political considerations cannot be wished away by any government. The trade negotiations must aim for the best practicable solution in a non-ideal world. The future of the world trading system depends less on the complex details of talks in Geneva, which after all reflect domestic political priorities and economic considerations of the participants, than on how countries manage the process of change within their economies.

In a dynamic global economy, trade means not just static international division of labour, but also continual adjustment and readjustment. Some sectors grow while others atrophy. Shifts in trade patterns reflect changes in competitiveness and comparative advantage, the rise of new industries and the decline of obsolete ones, and changes in the relative vitality, influence and power of countries. These inevitable adjustments cannot be painless or frictionless. Governments will sometimes find it politically inconvenient to acknowledge or deal with them directly. At the very least, governments have to cushion the impact of the changes on those adversely affected. They must find palliatives to postpone the changes, or to help the population adjust to them.

If all countries were growing rapidly in tandem, the adjustments necessary would be easier; the decline of one sector would be balanced by the expansion of another in the same country. But when some countries fear that they may lose out generally if there is free competition, this adds an extra edge and uncertainty to the pain of sectoral decline. For example, in the EC, Japanese investments, or "transplants", are preparing to exploit the SEM, while European car and electronics firms struggle to survive. European consumers should be pleased, but European producers are not. A few European industrialists have gone beyond emphasising free trade, to argue that it is intrinsically unfair for Europeans who work only 1,700 hours a year to compete with Japanese who work 2,000. Their solution is therefore to force the Japanese to work less. It is unlikely that in the long term Europe will be unable to compete against Japan, provided European industries make the needed structural

changes. Europe's population and GDP are larger than the US, and its productivity levels per man-hour are still higher than Japan's. But amidst the present difficulties, the rhetoric in favour of extraordinary measures is plausible.

Similarly in the US, when the automobile industry does badly, and risks being outperformed by Japanese imports, it is not simply another business which is to be left behind in the march of progress. Detroit so epitomises the strength and success of the US system that if the US can no longer hold its own in this business which it once dominated, Americans start to ask soul-searching questions as to what America's competitive strength will now consist of.

In reality, competition between nations, fair or unfair, with or without free trade, is inevitable. A country cannot improve its standard of living or economic vitality by refusing to trade with its competitors. When a country finds itself becoming less competitive, the only fundamental solution is to improve educational levels, productivity, and group performance. The better countries do this, the more open the global trading system can be.

#### Possible Scenarios

*Successful UR.* The outcome of the Uruguay Round will have a major impact on the world trading system. If the Round succeeds, we can expect more orderly rules to prevail, faster expansion of trade, and gains all round... But it is unlikely to be a fairy tale ending, in which all GATT contracting parties live happily ever after. Soon new trade pressures will build up, and new ways must be found to defuse them.

*Unsuccessful UR.* On the other hand, if the Uruguay Round fails, we will probably avoid the worst possible outcome, in which countries revert to overt beggar-thy-neighbour policies, the major players turn away from international trade, and world trade shrinks in absolute terms, as it did in the global recession of the 1930s. All countries recognise that this will be immensely damaging to them, and governments will be careful not to precipitate such a disaster.

*Three Blocs.* Less unlikely is the possibility that the global system will break up into three trading blocs – one in America around NAFTA, one in Europe around the SEM, and a third Asian bloc around Japan. These are the natural fault lines along which the multilateral system may split up, but a three-way split will not yield a viable and stable configuration... The EC is the most plausible bloc, having substantially increased intra-EC trade through European integration, but the EC's external trade still exceeds the volume of US trade with countries outside the Western hemisphere.<sup>3</sup> The Asia Pacific is the least promising trade bloc. Despite growing intra-regional linkages, it has always depended on the developed economies for investments and markets. Japan cannot take all the exports of the region, any more than the NIEs and other Asian countries can absorb all of Japan's exports.

Secondly, a three-bloc world will not eliminate trade frictions. Competition within

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<sup>3</sup> Intra-EC trade increased from 30% of EC trade in 1960 to 60% today. In 1990, the EC's trade with US, Japan and other countries (excluding EFTA) amounted to US\$857 bn, while US trade outside the Western hemisphere amounted to US\$612 bn.

each bloc will still force countries to make painful adjustments from time to time. In Europe, French and German workers have to compete against Spanish and Portuguese ones willing to work for a fraction of their wages, let alone against hungry and unemployed workers from the former Communist countries of Eastern Europe. US anxieties about job losses have not disappeared just because the competition comes from Canada and Mexico instead of Europe and Asia. Already American fears that cheaper labour and lower environmental standards in Mexico may lure away American jobs and industries are holding back progress in the NAFTA negotiations.

*Bilateral and Managed Trade.* A more likely scenario for the failure of the Uruguay Round will be a continuation of the status quo, but with increasing encroachment of unilateral measures, bilateral deals, and managed trade. The system will not collapse, but considerable potential gains from increased trade will be lost. The smaller countries, which lack bargaining clout, will lose out.

However, the major players will not enjoy a free run either. Conflict among the US, EC and Japan will hurt all of them. They will be worse off slogging out their quarrels among themselves, instead of resolving disputes impartially through GATT. The US and Japan have yet to resolve any of their trade problems through the Structural Impediments Initiative. No single country, not even the US, is large enough to enforce its will unilaterally on the rest of the world. The US often reminds its trading partners that it is the world's largest and most open market, but it is also the largest exporter of merchandise...

## Conclusion

The Asian countries have a vested interest in the success of the Uruguay Round. They have benefited greatly from the multilateral trading system, and have contributed commensurately to its growth and success. Their collective influence on the world trading system is not negligible. They should exercise this influence to help bring about a good GATT agreement.

If despite their efforts the Round fails, Asian countries will have to make the best of the new situation. Their relationship with the developed countries is a two-way one. In an increasingly inter-dependent world, borders are no longer as clear cut as before. For example, a commercial jetliner made in the United States may well contain avionics from Japan, engine components from Singapore, and airframe parts from Korea and Taiwan. Each passing year, this tangled web of dependencies and mutual benefits is woven closer and stronger. These links can of course be cut, but the pain will be felt on both sides.

However the world trading system evolves, the growing regional linkages and arrangements will make the Asian countries economically more resilient. Barring a major calamity, within a decade, some of the NIEs will be practically developed economies, and several more countries will have become NIEs. This will benefit the region, and at the same time enable it to contribute more to an open world trading system.

- (h) *SINGAPORE AND UN RESOLUTION 748 (1992)*: Press Statement (Singapore Government Press Release No: 15/MAY, 09-0/92/05/15)

The United Nations Security Council on 31 March 1992 adopted Resolution 748 (1992) imposing sanctions against Libya for its failure to comply with the earlier United Nations Security Council Resolution 31 (1992) requiring Libya to extradite two of its nationals who are suspected of being involved in the destruction of Pan Am Flight 103 in 1988 and French UTA Flight 772 in 1989.

Resolution 748 (1992) obliges member States to impose restrictions on air links with Libya and sale of aircraft and aircraft parts to Libya. It also calls for an arms embargo against Libya and a reduction of diplomatic contacts with Libya.

The Singapore Government has informed the UN Security Council that it has adopted administrative measures to comply with Resolution 748 (1992).

- (i) *SINGAPORE AND PEDRA BRANCA*: Comments by MFA Spokesman (Singapore Government Press Release No: 20/MAY, 09-0/92/05/21)

Responding to a question on press reports that PAS planned to plant a Malaysian flag on Pedra Branca, the MFA spokesman said "if it is true, it would be an irresponsible act as well as an offence under Singapore laws. The Singapore and Malaysian Governments have agreed on a procedure to resolve Malaysia's claim to Pedra Branca on a legal basis. This process is well in hand. Any one who takes such flagrant action will not help advance an amicable settlement."

The MFA spokesman added that Singapore took a serious view of any attempt to land illegally on Pedra Branca. "If any one tries to do so, the Police will arrest him and charge him for illegal entry into Singapore territory", he said.

- (j) *SINGAPORE'S IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTION 757*: Ministry of Foreign Affairs Press Statement (Singapore Government Press Release No: 10/JUN, 09-0/92/06/04)

The UN Security Council (UNSC) adopted Resolution 757 on 30 May 1992 which provides for comprehensive sanctions on the Federal Republic of Yugoslavia (Serbia and Montenegro). The Resolution, inter alia, calls for:

- a ban on all imports and exports, including oil, except for the supply of food and medicine for humanitarian purposes;
- prohibition on removal and remittances of all Serbian and Montenegro funds and financial and economic resources;
- suspension of all air links unless approved for humanitarian purposes and prohibits the sales of aircraft parts for the maintenance of aircraft;
- ban on Yugoslav athletes from international sports events and suspension of cultural, scientific and technical contacts with Yugoslavia.

The Singapore Government has taken steps to implement UNSC Resolution 757. These measures will be in force until the UNSC decides to lift the sanctions.

- (k) *SINGAPORE AND ACTS IN BOSNIA-HERZEGOVINA*: Ministry of Foreign Affairs Press Statement (Singapore Government Press Release No: 34/AUG, 09-0/92/08/20)

The Singapore Government expresses its deep concern over the situation in Bosnia-Herzegovina. It strongly condemns the practice of "ethnic cleansing" and acts of violence against innocent civilians which have caused untold human sufferings and resulted in a tragic loss of human lives. The forced expulsion of people from their homes is a serious violation of the basic precepts of international humanitarian law. The Singapore Government calls upon the perpetrators of such acts to desist from their actions immediately and comply with the UN Security Council (UNSC) Resolutions 770 and 771 dated 13 August 1992.

*Explanatory Note*: [UNSC Resolution 770 calls on all parties concerned in Bosnia-Herzegovina to stop the fighting immediately and demands that unimpeded and continuous access to all camps, prisons and detention centres be granted immediately to the International Committee of the Red Cross and other relevant humanitarian organisations. UNSC Resolution 771 calls upon all parties involved in the conflict in Bosnia-Herzegovina to cease all violations of international humanitarian law including those involved in the practice of "ethnic cleansing".

- (l) *CLAIMS FOR LOSSES INCURRED AS A RESULT OF IRAQ'S UNLAWFUL INVASION AND OCCUPATION OF KUWAIT*: Ministry of Foreign Affairs Press Statement (Singapore Government Press Release No: 39/AUG, 09-0/92/08/21)

Early this year, the United Nations Compensation Commissions distributed three types of forms for submission of claims for losses up to US\$100,000, incurred by individuals as a result of Iraq's unlawful invasion and occupation of Kuwait. The Commission has now made available two additional forms for claims. These are:

- Form D: Individual Claim Forms for Damages above US\$100,000;  
Form E: Claim Forms for Corporations and Other Entities.

The Singapore Government will submit claims on behalf of individuals who are Singapore nationals or permanent residents in respect of Form D. It will also submit claims on behalf of corporations, other private legal entities and public sector enterprises (referred to as "corporations and other entities" in Form E) which, on the date on which the claim arose, were incorporated, organized or registered under its law. Corporations, other private legal entities and public sector enterprises must show that they are claiming for direct loss, damage or injury resulting from Iraq's unlawful invasion and occupation of Kuwait.

V. ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) TREATIES, DECLARATIONS AND OTHER INSTRUMENTS

(i) *FRAMEWORK AGREEMENT ON ENHANCING ASEAN ECONOMIC COOPERATION*

The Sultan of Brunei Darussalam, the President of the Republic of Indonesia, the Prime Minister of Malaysia, the President of the Republic of the Philippines, the Prime Minister of the Republic of Singapore and the Prime Minister of the Kingdom of Thailand:

REAFFIRMING their commitment to the ASEAN Declaration of 8 August 1967, the Declaration of ASEAN Concord of 24 February 1976, the Treaty of Amity and Cooperation in Southeast Asia of 24 February 1976, the 1977 Accord of Kuala Lumpur and the Manila Declaration of 15 December 1987;

DESIRING to enhance intra-ASEAN economic cooperation to sustain the economic growth and development of all Member States which are essential to the stability and prosperity of the region;

REITERATING their commitment to the principles of the General Agreement on Tariffs and Trade (hereinafter referred to as "GATT");

RECOGNISING that tariff and non-tariff barriers are impediments to intra-ASEAN trade and investment flows, and that existing commitments to remove these trade barriers could be extensively improved upon;

NOTING the significant unilateral efforts made by Member States in recent years to liberalise trade and promote investments, and the importance of extending such policies to further open up their economies, given the comparative advantages and complementarity of their economies;

RECOGNISING that Member States, having different economic interests, could benefit from sub-regional arrangements;

CONSCIOUS of the rapid and pervasive changes in the international political and economic landscape, as well as both challenges and opportunities yielded thereof, which need more cohesive and effective performance of intra-ASEAN economic cooperation;

MINDFUL of the need to extend the spirit of friendship and cooperation among Member States to other regional economies, as well as those outside the region which contribute to the overall economic development of Member States;

RECOGNISING further the importance of enhancing other fields of economic cooperation such as in science and technology, agriculture, financial services and tourism;

HAVE AGREED AS FOLLOWS

Article 1

*Principles*

1. Member States shall endeavour to strengthen their economic cooperation through

an outward-looking attitude so that their cooperation contributes to the promotion of global trade liberalisation.

2. Member States shall abide by the principle of mutual benefit in the implementation of measures or initiatives aimed at enhancing ASEAN economic cooperation.
3. All Member States shall participate in intra-ASEAN economic arrangements. However, in the implementation of these economic arrangements, two or more Member States may proceed first if other Member States are not ready to implement these arrangements.

## Article 2

### *Areas of Cooperation*

#### A. Cooperation in Trade

1. All Member States agree to establish and participate in the ASEAN Free Trade Area (AFTA) within 15 years. A ministerial-level Council will be set up to supervise, coordinate and review the implementation of the AFTA.
2. The Common Effective Preferential Tariff (CEPT) Scheme shall be the main mechanism for the AFTA. For products not covered by the CEPT Scheme, the ASEAN Preferential Trading Arrangements (PTA) or any other mechanism to be agreed upon, may be used.
3. Member States shall reduce or eliminate non-tariff barriers between and among each other on the import and export of products as specifically agreed upon under existing arrangements or any other arrangements arising out of this Agreement.
4. Member States shall explore further measures on border and non-border areas of cooperation to supplement and complement the liberalisation of trade.

#### B. Cooperation in Industry, Minerals and Energy

1. Member States agree to increase investments, industrial linkages and complementarity by adopting new and innovative measures, as well as strengthening existing arrangements in ASEAN.
2. Member States shall provide flexibility for new forms of industrial cooperation. ASEAN shall strengthen cooperation in the development of the minerals sector.
3. Member States shall enhance cooperation in the field of energy, including energy planning, exchange of information, transfer of technology, research and development, manpower training, conservation and efficiency, and the exploration, production and supply of energy resources.

#### C. Cooperation In Finance and Banking

1. Member States shall strengthen and develop further ASEAN economic cooperation in the field of capital markets, as well as find new measures to increase cooperation in this area.
2. Member States shall encourage and facilitate free movement of capital and other financial resources, including further liberalisation of the use of ASEAN cur-

rencies in trade and investments, taking into account their respective national laws, monetary controls and development objectives.

#### D. Cooperation in Food, Agriculture and Forestry

1. Member States agree to strengthen regional cooperation in the areas of development, production and promotion of agricultural products for ensuring food security and upgrading information exchanges in ASEAN.
2. Member States agree to enhance technical joint cooperation to better manage, conserve, develop and market forest resources.

#### E. Cooperation in Transportation and Communications

1. Member States agree to further enhance regional cooperation for providing safe, efficient and innovative transportation and communications infra-structure network.
2. Member States shall also continue to improve and develop the intra-country postal and telecommunications system to provide cost-effective, high quality and customer-oriented services.

### Article 3

#### *Other Areas of Cooperation*

1. Member States agree to increase cooperation in research and development, technology transfer, tourism promotion, human resource development and other economic-related areas. Full account shall also be taken of existing ASEAN arrangements in these areas.
2. Member States, through the appropriate ASEAN bodies, shall regularly consult and exchange views on regional and international developments and trends, and identify ASEAN priorities and challenges.

### Article 4

#### *Sub-regional Economic Arrangements*

Member States acknowledge that sub-regional arrangements among themselves, or between ASEAN Member States and non-ASEAN economies, could complement overall ASEAN economic cooperation.

### Article 5

#### *Extra-ASEAN Economic Cooperation*

To complement and enhance economic cooperation among Member States, and to respond to the rapidly changing external conditions and trends in both the economic and political fields, Member States agree to establish and/or strengthen cooperation with other countries, as well as regional and international organisations and arrangements.

## Article 6

*Private Sector Participation*

Member States recognise the complementarity of trade and investment opportunities, and therefore encourage, among others, cooperation and exchanges among the ASEAN private sectors and between ASEAN and non-ASEAN private sectors, and the consideration of appropriate policies aimed at promoting greater intra-ASEAN and extra-ASEAN investments and other economic activities.

## Article 7

*Monitoring Body*

The ASEAN Secretariat shall function as the body responsible for monitoring the progress of any arrangements arising from this Agreement. Member States shall cooperate with the ASEAN Secretariat in the performance of its duties.

## Article 8

*Review of Progress*

The ASEAN Economic Ministers' Meeting and its subsidiary bodies shall review the progress of implementation and coordination of the elements contained in this Agreement.

## Article 9

*Settlement of Disputes*

Any differences between the Member States concerning the interpretation or application of this Agreement or any arrangements arising therefrom shall, as far as possible, be settled amicably between the parties. Whenever necessary, an appropriate body shall be designated for the settlement of disputes.

## Article 10

*Supplementary Agreements or Arrangements*

Appropriate ASEAN economic agreements or arrangements, arising from this Agreement, shall form an integral part of this Agreement.

## Article 11

*Other Agreements*

1. This Agreement or any action taken under it shall not affect the rights and obligations of the Member States under any existing agreements to which they are parties.

2. Nothing in this Agreement shall affect the power of Member States to enter into other agreements not contrary to the terms and objectives of this Agreement.

## Article 12

### *General Exceptions*

Nothing in this Agreement shall prevent any Member State from taking action and adopting measures which it considers necessary for the protection of its national security, the protection of public morals, the protection of human, animal or plant life and health, and the protection of articles of artistic, historic and archaeological value.

## Article 13

### *Amendments*

All Articles of this Agreement may be modified through amendments to this Agreement agreed upon by all the Member States. All amendments shall become effective upon acceptance by all Member States.

## Article 14

### *Entry into Force*

This Agreement shall be effective upon signing.

## Article 15

### *Final Provision*

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

IN WITNESS WHEREOF, the undersigned have signed this Framework Agreement on Enhancing ASEAN Economic Cooperation.

DONE at Singapore, this 28th day of January, 1992 in a single copy in the English Language.

For Brunei Darussalam:  
HAJI HASSANAL BOLKIAH  
Sultan of Brunei Darussalam

For the Republic of the Philippines:  
CORAZON C AQUINO  
President

For the Republic of Indonesia:  
SOEHARTO  
President

For the Republic of Singapore:  
GOH CHOK TONG  
Prime Minister

For Malaysia:  
DR MAHATHIR BIN MOHAMAD  
Prime Minister

For the Kingdom of Thailand:  
ANAND PANYARACHUN  
Prime Minister

(j) *AGREEMENT ON THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT) SCHEME FOR THE ASEAN FREE TRADE AREA (AFTA)*

The Governments of Brunei Darussalam, the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand, Member States of the Association of South East Asian Nations (ASEAN); MINDFUL of the Declaration of ASEAN Concord signed in Bali, Indonesia on 24 February 1976 which provides that Member States shall cooperate in the field of trade in order to promote development and growth of new production and trade;

RECALLING that the ASEAN Heads of Government, at their Third Summit Meeting held in Manila on 13-15 December 1987, declared that Member States shall strengthen intra-ASEAN economic cooperation to maximise the realisation of the region's potential in trade and development;

NOTING that the Agreement on ASEAN Preferential Trading Arrangements (PTA) signed in Manila on 24 February 1977 provides for the adoption of various instruments on trade liberalisation on a preferential basis;

ADHERING to the principles, concepts and ideals of the Framework Agreement on Enhancing ASEAN Economic Cooperation signed in Singapore on 28 January 1992;

CONVINCED that preferential trading arrangements among ASEAN Member States will act as a stimulus to the strengthening of national and ASEAN Economic resilience, and the development of the national economies of Member States by expanding investment and production opportunities, trade, and foreign exchange earnings;

DETERMINED to further cooperate in the economic growth of the region by accelerating the liberalisation of intra-ASEAN trade and investment with the objective of creating the ASEAN Free Trade Area using the Common Effective Preferential Tariff (CEPT) Scheme;

DESIRING to effect improvements on the ASEAN PTA in consonance with ASEAN's international commitments;

HAVE AGREED AS FOLLOWS:

Article 1

*Definitions*

For the purposes of this Agreement:

1. "CEPT" means the Common Effective Preferential Tariff, and it is an agreed effective tariff, preferential to ASEAN, to be applied to goods originating from ASEAN Member States, and which have been identified for inclusion in the CEPT Scheme in accordance with Articles 2 (5) and 3.
2. "Non-Tariff Barriers" mean measures other than tariffs which effectively prohibit or restrict import or export of products within Member States.

3. "Quantitative restrictions" mean prohibitions or restrictions on trade with other Member States, whether made effective through quotas, licences or other measures with equivalent effect, including administrative measures and requirements which restrict trade.
4. "Foreign exchange restrictions" mean measures taken by Member States in the form of restrictions and other administrative procedures in foreign exchange which have the effect of restricting trade.
5. "PTA" means ASEAN Preferential Trading Arrangements stipulated in the Agreement on ASEAN Preferential Trading Arrangements, signed in Manila on 24 February 1977, and in the Protocol on Improvements on Extension of Tariff Preferences under the ASEAN Preferential Trading Arrangements (PTA), signed in Manila on 15 December 1987.
6. "Exclusion List" means a list containing products that are excluded from the extension of tariff preferences under the CEPT Scheme.
7. "Agricultural products" means
  - (a) agricultural raw materials/unprocessed products covered under Chapters 1-24 of the Harmonised System (HS), and similar agricultural raw materials/unprocessed products in other related HS Headings; and
  - (b) products which have undergone simple processing with minimal change in form from the original products.

## Article 2

### *General Provisions*

1. All Member States shall participate in the CEPT Scheme.
2. Identification of products to be included in the CEPT Scheme shall be on a sectoral basis, i.e., at HS 6-digit level.
3. Exclusions at the HS 8/9 digit level for specific products are permitted for those Member States, which are temporarily not ready to include such products in the CEPT Scheme. For specific products, which are sensitive to a Member State pursuant to Article 1 (3) of the Framework Agreement on Enhancing ASEAN Economic Cooperation, a Member State may exclude products from the CEPT Scheme, subject to a waiver of any concession herein provided for such products. A review of this Agreement shall be carried out in the eighth year to decide on the final Exclusion List or any amendment to this Agreement.
4. A product shall be deemed to be originating from ASEAN Member States, if at least 40% of its content originates from any Member State.

5. All manufactured products, including capital goods, processed agricultural products and those products falling outside the definition of agricultural products, as set out in this Agreement, shall be in the CEPT Scheme. These products shall automatically be subject to the schedule of tariff reduction, as set out in Article 4 of this Agreement. In respect of PTA items, the schedule of tariff reduction provided for in Article 4 of this Agreement shall be applied, taking into account the tariff rate after the application of the existing margin of preference (MOP) as at 31 December 1992.
6. All products under the PTA which are not transferred to the CEPT Scheme shall continue to enjoy the MOP existing as at 31 December 1992.
7. Member States, whose tariffs for the agreed products are reduced from 20% and below to 0%-5%, even though granted on an MFN basis, shall still enjoy concessions. Member States with tariff rates at MFN rates of 0%-5% shall be deemed to have satisfied the obligations under this Agreement and shall also enjoy the concessions.

### Article 3

#### *Product Coverage*

This Agreement shall apply to all manufactured products, including capital goods, processed agricultural products, and those products falling outside the definition of agricultural products as set out in this Agreement. Agricultural products shall be excluded from the CEPT Scheme.

### Article 4

#### *Schedule of Tariff Reduction*

1. Member States agree to the following schedule of effective preferential tariff reductions:
  - (a) The reduction from existing tariff rates to 20% shall be done within a time frame of 5 years to 8 years, from 1 January 1993, subject to a programme of reduction to be decided by each Member State, which shall be announced at the start of the programme. Member States are encouraged to adopt an annual rate of reduction, which shall be  $(X-20)\%/5$  or 8, where X equals the existing tariff rates of individual Member States.
  - (b) The subsequent reduction of tariff rates from 20% or below shall be done within a time frame of 7 years. The rate of reduction shall be at a minimum of 5% quantum per reduction. A programme of reduction to be decided by each Member State shall be announced at the start of the programme.

- (c) For products with existing tariff rates of 20% or below as at 1 January 1993, Member States shall decide upon a programme of tariff reductions, and announce at the start, the schedule of tariff reductions. Two or more Member States may enter into arrangements for tariff reduction to 0%-5% on specific products at an accelerated pace to be announced at the start of the programme.
2. Subject to Articles 4 (1) (b) and 4 (1) (c) of this Agreement, products which reach, or are at tariff rates of 20% or below, shall automatically enjoy the concessions.
3. The above schedules of tariff reduction shall not prevent Member States from immediately reducing their tariffs to 0%-5% or following an accelerated schedule of tariff reduction.

## Article 5

### *Other Provisions*

#### A. Quantitative Restrictions and Non-Tariff Barriers

1. Member States shall eliminate all quantitative restrictions in respect of products under the CEPT Scheme upon enjoyment of the concessions applicable to those products.
2. Member States shall eliminate other non-tariff barriers on a gradual basis within a period of five years after the enjoyment of concessions applicable to those products.

#### B. Foreign Exchange Restrictions

Member States shall make exceptions to their foreign exchange restrictions relating to payments for the products under the CEPT Scheme, as well as repatriation of such payments without prejudice to their rights under Article XVIII of the General Agreement on Tariff and Trade (GATT) and relevant provisions of the Articles of Agreement of the International Monetary Fund (IMF).

#### C. Other Areas of Cooperation

Member States shall explore further measures on border and non-border areas of cooperation to supplement and complement the liberalisation of trade. These may include, among others, the harmonisation of standards, reciprocal recognition of tests and certification of products, removal of barriers to foreign investments, macroeconomic consultations, rules for fair competition, and promotion of venture capital.

#### D. Maintenance of Concessions

Member States shall not nullify or impair any of the concessions as agreed upon through the application of methods of customs valuation, any new charges or measures restricting trade, except in cases provided for in this Agreement.

#### Article 6

##### *Emergency Measures*

1. If, as a result of the implementation of this Agreement, import of a particular product eligible under the CEPT Scheme is increasing in such a manner as to cause or threaten to cause serious injury to sectors producing like or directly competitive products in the importing Member States, the importing Member States may, to the extent and for such time as may be necessary to prevent or to remedy such injury, suspend preferences provisionally and without discrimination, subject to Article 6 (3) of this Agreement. Such suspension of preferences shall be consistent with the GATT.
2. Without prejudice to existing international obligations, a Member State, which finds it necessary to create or intensify quantitative restrictions or other measures limiting imports with a view to forestalling the threat of or stopping a serious decline of its monetary reserves, shall endeavour to do so in a manner, which safeguards the value of the concessions agreed upon.
3. Where emergency measures are taken pursuant to this Article, immediate notice of such action shall be given to the Council referred to in Article 7 of this Agreement, and such action may be the subject of consultation as provided for in Article 8 of this Agreement.

#### Article 7

##### *Institutional Arrangements*

1. The ASEAN Economic Ministers (AEM) shall, for the purposes of this Agreement, establish a ministerial-level Council comprising one nominee from each Member State and the Secretary-General of the ASEAN Secretariat. The ASEAN Secretariat shall provide the support to the ministerial-level Council for supervising, co-ordinating and reviewing the implementation of this Agreement, and assisting the AEM in all matters relating thereto. In the performance of its functions, the ministerial-level Council shall also be supported by the Senior Economic Officials' Meeting (SEOM).
2. Member States which enter into bilateral arrangements on tariff reductions pursuant to Article 4 of this Agreement shall notify all other Member States and the ASEAN Secretariat of such arrangements.

3. The ASEAN Secretariat shall monitor and report to the SEOM on the implementation of the Agreement pursuant to the Article 11(2) (8) of the Agreement on the Establishment of the ASEAN Secretariat. Member States shall cooperate with the ASEAN Secretariat in the performance of its duties.

## Article 8

### *Consultations*

1. Member States shall accord adequate opportunity for consultations regarding any representations made by other Member States with respect to any matter affecting the implementation of this Agreement. The Council referred to in Article 7 of this Agreement, may seek guidance from the AEM in respect of any matter for which it has not been possible to find a satisfactory solution during previous consultations.
2. Member States, which consider that any other Member State has not carried out its obligations under this Agreement, resulting in the nullifications or impairment of any benefit accruing to them, may, with a view to achieving satisfactory adjustment of the matter, make representations or proposal to the other Member States concerned, which shall give due consideration to the representations or proposal made to it.
3. Any differences between the Member States concerning the interpretation or application of this Agreement shall, as far as possible, be settled amicably between the parties. If such differences cannot be settled amicably, it shall be submitted to the Council referred to in Article 7 of this Agreement, and if necessary, to the AEM.

## Article 9

### *General Exceptions*

Nothing in this Agreement shall prevent any Member State from taking action and adopting measures, which it considers necessary for the protection of its national security, the protection of public morals, the protection of human, animal or plant life and health, and the protection of articles of artistic, historic and archaeological value.

## Article 10

### *Final Provisions*

1. The respective Governments of Member States shall undertake the appropriate measures to fulfil the agreed obligations arising from this Agreement.
2. Any amendment to this Agreement shall be made by consensus and shall become effective upon acceptance by all Member States.

3. This Agreement shall be effective upon signing.
4. This Agreement shall be deposited with the Secretary-General of the ASEAN Secretariat, who shall likewise promptly furnish a certified copy thereof to each Member State.
5. No reservation shall be made with respect to any of the provisions of this Agreement.

In witness Whereof, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement on Common Effective Preferential Tariff (CEPT) Scheme for the Free Trade Area (AFTA).

Done at Singapore, this 28th day of January, 1992 in a single copy in the English Language.

For the Government of  
Brunei Darussalam:  
ABDUL RAHMAN TAIB  
Minister of Industry and  
Primary Resources

For the Government of the  
Republic of the Philippines:  
PETER D GARRUCHO JR  
Secretary of Trade and Industry

For the Government of the  
Republic of Indonesia:  
DR ARIFIN M SIREGAR  
Minister of Trade

For the Government of the  
Republic of Singapore:  
LEE HSIEN LOONG  
Deputy Prime Minister and  
Minister for Trade and Industry

For the Government of Malaysia:  
RAFIDAH AZIZ  
Minister of International Trade  
and Industry

For the Government of the  
Kingdom of Thailand:  
AMARET SILA-ON  
Minister of Commerce

(k) *SINGAPORE DECLARATION OF 1992*

1. We, the Heads of State and Government of ASEAN, are encouraged by the achievements of ASEAN in the last twenty-five years, and are convinced that ASEAN cooperation remains vital to the well-being of our peoples.
2. Having reviewed the profound international political and economic changes that have occurred since the end of the Cold War and considered their implications for ASEAN, we declare that:
  - ASEAN shall move towards a higher plane of political and economic cooperation to secure regional peace and prosperity;
  - ASEAN shall constantly seek to safeguard its collective interests in response to the formation of large and powerful economic groupings among the

developed countries, in particular through the promotion of an open international economic regime and by stimulating economic cooperation in the region;

- ASEAN shall seek avenues to engage member states in new areas of cooperation in security matters; and
- ASEAN shall forge a closer relationship based on friendship and cooperation with the Indochinese countries, following the settlement on Cambodia.

### POLITICAL AND SECURITY COOPERATION

3. In the field of political and security cooperation, we have agreed that:

- ASEAN welcomes accession by all countries in Southeast Asia to the Treaty of Amity and Cooperation in Southeast Asia, which will provide a common framework for wider regional cooperation embracing the whole of Southeast Asia;
- ASEAN will also seek the cognizance of the United Nations for the Treaty through such means as an appropriate Resolution. This will signify ASEAN's commitment to the centrality of the UN role in the maintenance of international peace and security as well as promoting cooperation for socio-economic development;
- ASEAN could use established fora to promote external dialogues on enhancing security in the region as well as intra-ASEAN dialogues on ASEAN security cooperation (such as the regional security seminars held in Manila and Bangkok in 1991, and the workshops on the South China Sea held in Bali in 1990 and Bandung in 1991), taking full cognizance of the Declaration of ASEAN Concord. To enhance this effort, ASEAN should intensify its external dialogues in political and security matters by using the ASEAN Post-Ministerial Conferences (PMC);
- ASEAN has made major strides in building cooperative ties with states of the Asia-Pacific region and shall continue to accord them a high priority;
- ASEAN will seek to realise the Zone of Peace, Freedom and Neutrality (ZOPFAN) and a Southeast Asian Nuclear Weapon Free Zone (SEANWFZ) in consultation with friendly countries, taking into account changing circumstances;
- ASEAN will closely cooperate with the United Nations and the international community in ensuring the full implementation of the Peace Agreements signed in Paris in October 1991;

- ASEAN supports the Cambodian Supreme National Council in calling on the UN Secretary-General to despatch UNTAC as early as possible in order to preserve the momentum of the peace process and to implement the gains realised by the signing of the Paris Peace Agreements. ASEAN calls on all parties in Cambodia to implement seriously the process of national reconciliation which is essential to a genuine and lasting peace in Cambodia; and
  - ASEAN will play an active part in international programmes for the reconstruction of Vietnam, Laos and Cambodia.
4. Conscious of the central role of the United Nations in the post-Cold War, we agree that:
- The proposed Summit of members of the United Nations Security Council should help shape the United Nations' role for the promotion of a more equitable international political and economic order, and for the democratisation of the United Nations' decision-making processes in order to make the organization truly effective in meeting its obligations;
  - ASEAN will participate actively in efforts to ensure that the United Nations is a key instrument for maintaining international peace and security; and
- ASEAN will encourage all efforts to strengthen the United Nations, including its role and capabilities in peacekeeping and peacemaking, in accordance with the United Nations Charter.

#### DIRECTIONS IN ASEAN ECONOMIC COOPERATION

5. In the field of economic cooperation, we have agreed that:
- To further accelerate joint efforts in enhancing intra-ASEAN economic cooperation, ASEAN shall adopt appropriate new economic measures as contained in the Framework Agreement on Enhancing ASEAN Economic Cooperation directed towards sustaining ASEAN economic growth and development which are essential to the stability and prosperity of the region;
  - ASEAN shall establish the ASEAN Free Trade Area using the Common Effective Preferential Tariff (CEPT) Scheme as the main mechanism within a time frame of 15 years beginning 1 January 1993 with the ultimate effective tariffs ranging from 0% to 5%. ASEAN member states have identified the following fifteen groups of products to be included in the CEPT Scheme for accelerated tariff reductions:

- vegetable oils
  - cement
  - chemicals
  - Pharmaceuticals
  - fertilisers
  - plastics
  - rubber products
  - leather products
  - pulp
  - textiles
  - ceramic and glass products
  - gems and jewellery
  - copper cathodes
  - electronics
  - wooden and rattan furniture
- 
- ASEAN shall increase investments, industrial linkages and complementarity by adopting new and innovative measures, as well as strengthening existing arrangements in ASEAN and providing flexibility for new forms of industrial cooperation;
  - ASEAN shall strengthen and develop further cooperation in the field of capital markets, and shall encourage and facilitate free movement of capital and other financial resources;
  - ASEAN shall further enhance regional cooperation to provide safe, efficient and innovative transportation and communications infrastructure network;
  - ASEAN shall also continue to improve and develop the intra-country postal and telecommunications system to provide cost-effective, high quality and customer-oriented services;
  - ASEAN shall adopt joint efforts to strengthen trade promotion and negotiations on ASEAN agricultural products in order to enhance ASEAN's competitive posture, and to sustain the expansion of ASEAN agricultural exports in the international markets;
  - ASEAN acknowledges that sub-regional arrangements among themselves, or between ASEAN member states and non-ASEAN economies could complement overall ASEAN economic cooperation;
  - ASEAN recognises the importance of strengthening and/or establishing cooperation with other countries, regional/multilateral economic organisations, as well as Asia-Pacific Economic Cooperation (APEC) and an East Asia Economic Caucus (EAEC). With regard to APEC, ASEAN attaches importance to APEC's fundamental objective of sustaining the growth and dynamism of the Asia-Pacific region. With respect to an EAEC, ASEAN

recognises that consultations on issues of common concern among East Asian economies, as and when the need arises, could contribute to expanding cooperation among the region's economies, and the promotion of an open and free global trading system;

- Further, recognising the importance of non-tariff and non-border areas of cooperation to complement tariff liberalisation in increasing regional trade and investment, ASEAN shall further explore cooperation in these areas with a view to making recommendations to the Fifth ASEAN Summit;
- ASEAN shall continue with its concerted efforts in the promotion of tourism, particularly in making the Visit ASEAN Year 1992 a success;
- ASEAN shall continue to step up cooperation in other economic-related areas, such as science and technology transfer and human resource development;
- ASEAN shall enhance cooperation and collective action in international and inter-regional fora as well as in international organisations and regional groupings. ASEAN shall also continue to enhance relations with its dialogue partners and other producing/consuming countries towards the advancement of the commodity sector in the region and in addressing international commodity issues;
- ASEAN recognises that sustained economic growth requires considerable inputs of energy. As member states continue to industrialise and strengthen their industrial base, ASEAN shall focus and strengthen cooperation in energy security, conservation and the search for alternative fuels;
- ASEAN recognises the complementarity of trade and investment opportunities and therefore encourages, among others, increased cooperation and exchanges among the ASEAN private sectors, and the consideration of appropriate policies for greater intra-ASEAN investments;
- ASEAN shall continue to uphold the principles of free and open trade embodied in the General Agreement on Tariffs and Trade (GATT), and work towards maintaining and strengthening an open multilateral trading system;
- ASEAN shall work collectively to ensure that the Uruguay Round addresses the key concerns and interests of the ASEAN economies, and adopt a pragmatic and realistic approach, in using the Draft Final Text as at 20 December 1991 as a reasonable basis for completing negotiations; and
- ASEAN strongly urges major trading countries to settle their differences on agriculture and other areas, and likewise use the Draft Final Text to work towards an early and successful conclusion of the Uruguay Round.

## REVIEW OF ASEAN'S EXTERNAL RELATIONS

6. In reviewing ASEAN's external relations, we have agreed that:

- ASEAN, as part of an increasingly interdependent world, should intensify cooperative relationships with its Dialogue partners, namely Australia, Canada, the European Community, Japan, the Republic of Korea, New Zealand and the United States, and engage in consultative relationships with interested non-Dialogue countries and international organizations; and
- While ASEAN's cooperative relationships with the Dialogue partners have made significant progress, ASEAN should strengthen existing dialogue mechanisms and develop new ones where necessary for the enhancement of economic relations with these countries, especially ASEAN's major economic partners.

## ASEAN FUNCTIONAL COOPERATION

7. In the field of functional cooperation, we have agreed that:

- The ASEAN member countries shall continue to enhance awareness of ASEAN among the people in the region through the expansion of ASEAN Studies as part of Southeast Asian Studies in the school and university curricula and the introduction of ASEAN student exchange programmes at the secondary and tertiary levels of education;
- ASEAN should help hasten the development of a regional identity and solidarity, and promote human resource development by considering ways to further strengthen the existing network of the leading universities and institutions of higher learning in the ASEAN region with a view to ultimately establishing an ASEAN University based on this expanded network;
- ASEAN functional shall be designed for a wider involvement and increased participation by women in the development of ASEAN countries in order to meet their needs and aspirations. This cooperation shall also extend to the development of children to realise their full potential;
- The ASEAN member countries shall continue to play an active part in protecting the environment by continuing to cooperate in promoting the principle of sustainable development and integrating it into all aspects of development;
- ASEAN member countries should continue to enhance environmental cooperation, particularly in issues of transboundary pollution, natural disasters, forest fires and in addressing the anti-tropical timber campaign;

- The developed countries should commit themselves to assist developing countries by providing them new and additional financial resources as well as the transfer of, and access to environmentally sound technology on concessional and preferential terms;
- The developed countries should also help to maintain an international environment supportive of economic growth and development;
- ASEAN looks forward to seeing these commitments reflected in the outcome of the United Nations Conference on Environment and Development in 1992 at Rio de Janeiro;
- As Non-governmental Organizations (NGOs) play an important role in social development, ASEAN shall encourage the exchange of information among NGOs in the region and help expand their participation in intra-ASEAN functional cooperation;
- ASEAN shall intensify its cooperation in over-coming the serious problem of drug abuse and illicit drug trafficking at the national, regional and international levels; and

ASEAN shall make a coordinated effort in curbing the spread of AIDS by exchanging information on AIDS, particularly in the formulation and implementation of policies and programmes against the deadly disease.

#### RESTRUCTURING OF ASEAN INSTITUTIONS

##### 8. To strengthen ASEAN, we have agreed that

- ASEAN Heads of Government shall meet formally every three years with informal meetings in between;
- The ASEAN organizational structure, especially the ASEAN Secretariat, shall be strengthened with more resources;
- The Secretary-General of the ASEAN Secretariat shall be redesignated as the Secretary-General of ASEAN with an enlarged mandate to initiate, advise, coordinate and implement ASEAN activities;
- The Secretary-General of ASEAN shall be appointed on merit and accorded ministerial status;
- The professional staff of the ASEAN Secretariat be appointed on the principle of open recruitment and based on a quota system to ensure representation of all ASEAN countries in the Secretariat;

The five present ASEAN Economic Committees be dissolved and the Senior Economic Officials Meeting (SEOM) be tasked to handle all aspects of ASEAN economic cooperation; and

A ministerial-level Council be established to supervise, coordinate and review the implementation of the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area (AFTA).

DONE at Singapore on the 28th of January 1992.

For Brunei Darussalam:  
HAJI HASSANAL BOLKIAH  
Sultan of Brunei Darussalam

For the Republic of the Philippines:  
CORAZON C AQUINO  
President

For the Republic of Indonesia:  
SOEHARTO  
President

For the Republic of Singapore:  
GOH CHOK TONG  
Prime Minister

For Malaysia:  
DR MAHATHIR BIN MOHAMAD  
Prime Minister

For the Kingdom of Thailand:  
ANAND PANYARACHUN  
Prime Minister

(1) *FIFTH ASEAN MINISTERIAL MEETING ON THE ENVIRONMENT*  
17-18 February 1992, Singapore

- 1 Singapore hosted the Fifth ASEAN Ministerial Meeting on the Environment (AMME) on 17-18Feb 1992. The Meeting was chaired by H.E. Dr Ahmad Mattar, Minister for the Environment, Singapore.
- 2 The Meeting was attended by H.E. Pg Dato Seri Paduka Dr Hj Ismail b Pg Hj Damit, Minister of Development, Brunei Darussalam; H.E. Prof Dr Emil Salim, Minister of State for Population and the Environment, Indonesia; H.E. Mr Law Hieng Ding, Minister for Science, Technology and the Environment, Malaysia; H.E. Mr Fulgencio S Factoran, Jr, Secretary of Department of Environment and Natural Resources, the Philippines; H.E. Dr Ahmad Mattar, Minister for the Environment, Singapore; and H.E. Mr Vikrom Koompirochana, Ambassador of Thailand to Singapore representing the Minister of Science, Technology and Energy, Thailand. Dr Amru Hydari Nazif, Assistant Director VI of the ASEAN Secretariat representing the Secretary-General of the ASEAN Secretariat.
- 3 The Meeting adopted the *Singapore Resolution on Environment and Development and its Annex, the ASEAN Common Stand on UNCED* (United Nations Conference on Environment and Development to be held in June 1992 in Rio de Janeiro) and related issues. In preparing for the Singapore Resolution, the Ministers were guided by the directions set out by the Fourth ASEAN Summit. A copy of the Singapore Resolution on Environment and Development is attached. Annexed to the Resolution is the Asean Common Stand on UNCED and related issues.
- 4 The Singapore Resolution sets out the directions for ASEAN to enhance its ongoing and future regional cooperation and the ASEAN common stand on global

environmental and developmental issues which are being addressed by the UNCED process and other international fora.

- 5 The Ministers re-affirmed the region's commitment to the principles of sustainable development. They recognized however that the pursuit of sustainable development requires close cooperation among and between ASEAN member countries in particular, and global cooperation in general.
- 6 The Ministers agreed that ASEAN member countries would work collectively towards the improvement of environmental quality, harmonization of standards, and jointly promote the application, transfer and development of appropriate environmental technologies. In the international context, the Ministers agreed that ASEAN would continue to actively participate in and support international efforts in promoting sustainable development.
- 7 To enhance regional cooperation towards sustainable development, the Ministers agreed that ASEAN member countries would work closely on policy measures which would help encourage the integration of environmental factors in developmental processes. Towards this end, member countries would also cooperate towards setting up and harmonizing environmental quality standards and adopt long-term quantitative goals relating to ambient air quality and river water quality.
- 8 The Ministers further agreed to step up cooperation in areas of information exchange, institutional development, and promotion of environmental technology and public awareness. Member countries would undertake to develop and implement programmes relating to: haze caused by forest fires, air and water quality management, natural resources and environmental accounting, environmental economics, trans-frontier parks and other protected areas, a regional network for biological diversity conservation and the protection of the marine environment in ASEAN seas.
- 9 With respect to development and global environmental issues, the Ministers agreed that new and additional financial resources must be provided to help developing countries in meeting the incremental costs of protecting the global environment. The Ministers urged countries to establish basic environmental standards as needed for a quality of life and environmental protection, and stressed that there must be equitable, balanced and comprehensive solutions to the inter-related issues of economic development and environmental protection.
- 10 The ASEAN Common Stand also calls for urgent measures to combat climate change, the immediate implementation of the Montreal Protocol Interim Multilateral Fund, the protection of the ecosystems of oceans and seas from pollution, greater efforts to protect freshwater resources and to ensure access of all people to this vital commodity, the sustainable management of all forests, the conservation of biological diversity, support for the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, and support for the objective of the Prior-Informed-Consent system for the trading of toxic chemicals.
- 11 The Ministers agreed that UNCED is an important landmark in a long-term global endeavour to pursue the goals of sustainable development. The Ministers also hoped that UNCED would produce comprehensive action programmes needed to halt the global environmental degradation.

- 12 The Ministers considered the US initiative in launching the US-Asia Environmental Partnership (US-AEP) Programme and agreed that the US-AEP would facilitate the transfer of appropriate and environmentally sound technologies to the region. In this respect, ASEAN member countries look forward to working closely with the US in the proposed partnership programme. The ASEAN Senior Officials on the Environment (ASOEN) had been asked to follow up on this proposal.
- 13 The Ministers also agreed to establish closer relation and cooperation between ASEAN member countries and other developing countries as well as associations of developing countries. In this connection, ASOEN had been asked to take appropriate measures to achieve this end.
- 14 The Ministers considered the outcome of the Fifth AMME as further evidence of ASEAN's success in regional cooperation, especially in the field of environment and development. The Ministers agreed that the Sixth AMME shall be held in Brunei Darussalam in 1995. It was further agreed that if necessary, the 6th AMME may be brought forward to address the UNCED outcome and post-UNCED activities. The Ministers also expressed support and look forward to working closely at the forthcoming Second Ministerial Conference of Developing Countries on Environment and Development from 27-29 April 1992 in Kuala Lumpur.

*(m) SINGAPORE RESOLUTION ON ENVIRONMENT AND DEVELOPMENT  
SINGAPORE, 18 FEBRUARY 1992*

AWARE, that the pursuit of sustainable development is essential for a better quality of life for the people of ASEAN today and in the future;

FURTHER AWARE, that sustainable development, especially the management of the environment, requires close cooperation among and between the member countries of ASEAN in particular and global cooperation in general, and that ASEAN should therefore strengthen such cooperation;

RECOGNISING, that environmental and population factors must be integrated into developmental efforts in order to achieve sustainable development;

FURTHER RECOGNISING, that natural resources and environmental accounting and valuation of environmental and ecological factors are essential to the successful pursuit of sustainable development;

CONVINCED, that the outcome of the 4th ASEAN Summit in January 1992 has brought about immense opportunities for economic cooperation which promises regional growth and that such growth will have to be sustained through, inter alia, greater intra-ASEAN cooperation;

REALISING, that the United Nations Conference on Environment and Development (UNCED) to be held in Rio de Janeiro in June 1992 offers a unique opportunity to put into effect programmes for global environmental management and the achievement of sustainable development, and that ASEAN should therefore contribute its views to this forum; and

FURTHER REALISING, that being a grouping of dynamic developing countries, ASEAN should take a leading role towards achieving a proper balance between environmental protection and economic development and promote its common views

on these issues at international fora including the 4th UNCED Preparatory Committee Meeting to be held in New York in March 1992 and the 2nd Ministerial Conference of Developing Countries on Environment and Development to be held in Kuala Lumpur in April 1992.

IN THE TRADITIONAL ASEAN SPIRIT OF AMITY, FRIENDSHIP AND COOPERATION, WE THE ASEAN MINISTERS RESPONSIBLE FOR THE ENVIRONMENT AGREE THAT:

- ASEAN member countries shall intensify cooperation in environmental management and protection in their common pursuit of sustainable development. In this regard, member countries shall work collectively towards the improvement of environmental quality, harmonization of standards, and jointly promote the application, transfer and development of appropriate environmental technologies.
- ASEAN shall continue to actively participate in and support international efforts in promoting the principles of sustainable development.

*Enhancing Regional Cooperation*

To promote regional cooperation towards sustainable development, we agree that ASEAN member countries shall:

*Policies*

- introduce policy measures and promote institutional development that will encourage the integration of environmental factors in all developmental processes;
- work closely on the inter-related issues of environment and development;
- cooperate in setting basic environmental quality standards and regulations at national level, work towards harmonized environmental quality standards in the region, and adopt long term quantitative goals relating to ambient air quality and river water quality;
- harmonize policy directions and step up operational and technical cooperation on environmental matters such as transboundary air and water pollution, natural disasters, forest fires, oil spills, and the transboundary movements and disposal of toxic chemicals and hazardous wastes, and undertake joint actions to address the anti-tropical timber campaign;

*Information Exchange*

- encourage greater information and data exchange, particularly in air and water quality as well as greenhouse gas monitoring;

*Institutional Development*

- strengthen the institutional and technical capability of national agencies to enable them to effectively integrate environmental considerations into development plans;

- cooperate in capacity building of national institutions responsible for the environment through regional training assistance programmes, regular exchange of information and management data and a greater exchange of visits among officials and experts;
- work with and cooperate in providing adequate training at all levels in public and private sector organizations, including NGOs, with the aim of improving their environmental management expertise and skills;

#### *Technology Cooperation*

- continue to enhance cooperation in the field of environmental technology through sharing of technical information, initiate joint training and research programmes, and exchange expertise in environmental management and technology;
- promote the application of appropriate and environmentally sound technologies, as well as encourage support from the business sector and the public for clean production and industrial practices;

#### *Public Awareness*

- continue to promote public awareness of environmental issues so as to bring about broader participation in environmental protection efforts, and to do so through greater exchange of information and experiences on approaches and strategies in environmental education; and

#### *Programmes*

- undertake to develop and implement specific programmes relating to: haze caused by forest fires, air and water quality management, natural resources and environmental accounting, environmental economics, trans-frontier parks and other protected areas, a regional network for biological diversity conservation and protection of the marine environment in ASEAN seas.

#### *Addressing Development and Global Environmental Issues*

To address development and global environmental issues, we agree that ASEAN member countries shall:

- adopt a common stand on UNCED and related issues as in the ANNEX, and endeavour to have it reflected in the outcome of UNCED;
- actively take part in international efforts to protect the global environment;
- emphasize the importance for developed countries to provide adequate, new and additional financial resources to the developing countries to help address the environmental and developmental problems confronting them;
- stress the need for developed countries to assist developing countries by transferring and providing access to environmentally sound technologies on concessional and preferential terms;

- support the call for the developed countries to maintain an international environment which is supportive of economic growth and development;
- explore the desirability of having flag States to contribute to and help ensure safe navigation for the protection of the marine environment; and
- promote greater cooperation among and between developing countries in the field of environment and development, through information exchange and the sharing of experience and expertise.

ASEAN COMMON STAND ON THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED) AND RELATED ISSUES

AWARE, that the pursuit of sustainable development is essential for a better quality of life for the people of ASEAN today and in the future;

FURTHER AWARE, that the pursuit of sustainable development, especially the management of the environment, requires close cooperation among and between the member countries of ASEAN in particular and global cooperation in general, and that ASEAN should therefore strengthen such cooperation; and

RECOGNIZING, that the United Nations Conference on Environment and Development (UNCED) to be held in Rio de Janeiro in June 1992 offers a unique opportunity to put into effect programmes for global environmental management and the achievement of sustainable development.

WE, THE ASEAN MINISTERS RESPONSIBLE FOR THE ENVIRONMENT HEREBY CALL FOR:

1 *Urgent measures to combat climate change.*

In this respect, the developed countries should stabilize and limit the emissions of all greenhouse gases.

However, any reductions in greenhouse gases must be made on an equitable basis, taking into consideration historical emissions and efficiency of energy use. In addition, adequate, new and additional funding must be provided by developed countries, especially those which have been emitting cumulatively large amount of CO<sub>2</sub>, to enable developing countries to meet the full incremental costs of combatting climate change. Technologies to reduce CO<sub>2</sub> emissions shall be made available to developing countries on concessional and preferential terms.

All sinks, in particular coastal waters, seas and oceans, should be protected.

2 *The immediate implementation of the Montreal Protocol Interim Multilateral Fund.*

There should be expeditious transfer of environmentally sound alternative technologies from developed countries to developing countries, including building the capabilities of developing countries in research and development. Recognizing that the Montreal Protocol may have to be amended from time to time, any amendments must include adequate provisions to ensure the non-application of compliance procedure

until the required technologies become freely and commercially available on concessional and preferential terms.

### 3 *The protection of the ecosystems of oceans and seas from pollution.*

Due recognition must be given to the fact that land-based sources of pollution in particular sewage and wastewater discharge, and offshore sources such as oil spills are major causes of marine degradation. There is a need to modify the existing policies for concessional loans to developing countries on coastal and marine environmental management and protection projects. National capabilities for the acquisition of expertise in the implementation of international instruments for the protection of marine environment must be built up and strengthened.

The vital role of Antarctica in the global atmospheric, oceanic and ecological systems must also be recognized and efforts to protect and conserve its environment for the benefits of mankind must be fully supported within the UNCED process.

### 4 *Greater efforts to protect freshwater resources and to ensure access of all people to this vital commodity.*

Freshwater resources should be conserved and protected and the capacity for developing countries to conserve, manage and develop these resources should be strengthened. To achieve these, there should be adequate provision of funds at concessional rates.

### 5 *The sustainable management of all forests.*

Countries have the sovereign right to develop on a sustainable basis their forests in accordance with their needs and levels of socio-economic development. Any agreement on forestry and all types of forests must be part and parcel of the global package to undertake specific actions to resolve problems relating to environment and development. Developed countries should cease all forms of unilateral measures to ban the importation of tropical timber particularly when discussions have begun within the UNCED preparatory process on a statement of principles on global forestry. In addition, developed countries should undertake specific and transparent measures to increase their forest cover as part of their global responsibilities to restore the balance between development and the need to protect the environment.

### 6 *The conservation of biological diversity.*

The sovereign rights of states over natural resources, including genetic resources, should be honoured and respected. Funding mechanisms to compensate developing countries for their sacrifices and opportunity costs forgone for conserving biological diversity should be established. New funding mechanisms for biodiversity conservation should also be created. However, the funds should not be sourced from levies imposed on the trade of natural resources from the developing countries. The burden of conservation should be shared equitably by the developed and developing countries, taking into account the financial capabilities of the developing countries.

Access to biological diversity should be based on mutually agreed terms and the principle of prior-informed-consent so that the countries providing the genetic resources have preferential access to the results of research, products developed, and benefits and profits from genetic resources. Mechanisms to define ownership of genetic materials should be ensured. Transfer of technologies relevant to the conservation and sustainable use of biological diversity, as well as transfer of technologies that make use of genetic resources, should be on concessional and preferential terms.

7 *Support for the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.*

The Convention should be complemented by a Protocol on liability and compensation which must address the concerns of the developing countries, taking into account their views with regard to liability and compensation from damage resulting from transboundary movements and disposal of hazardous wastes.

8 *Support for the objective of the Prior-Informed-Consent (PIC) system under the Amended London Guidelines for the Exchange of Information on Banned or Severely Restricted Chemicals in International Trade.*

A legal framework on the management of toxic chemicals in international trade should be formulated jointly by UNEP (United Nations Environment Programme), WHO (World Health Organisation), FAO (Food and Agriculture Organisation), and IMO (International Maritime Organisation).

TO ACHIEVE THE ABOVE, WE, THE ASEAN MINISTERS  
RESPONSIBLE FOR THE ENVIRONMENT FURTHER CALL FOR:

- 1 *New and additional financial resources to meet incremental costs of protecting the global environment.* New and innovative methods for generating financial resources should be sought and agreed upon. More funding for implementing sustainable development policies at the regional and national levels should be provided by developed countries.
- 2 *The establishment of basic environmental standards for a minimum level of quality of life and environmental protection.* Appropriate technologies to help countries achieve such standards must be identified and all means, financial as well as legal to overcome patent laws, should be made available to enable the transfer of such appropriate technologies to the developing countries.
- 3 *Equitable, balanced and comprehensive solutions to the inter-related issues of economic development and environmental protection.*

WE, THE ASEAN MINISTERS RESPONSIBLE FOR THE ENVIRONMENT  
FURTHER RECOMMEND THAT THE FOLLOWING BE REFLECTED IN THE  
PREPARATION OF THE EARTHCHARTER AND AGENDA 21:

- 1 *Earth Charter*. The title of the declaration should be "Rio de Janeiro Declaration on Environment and Development". The Declaration should contain the general principles outlining the rights and obligations of individuals and states with regard to environment and development. Although not legally binding, the Declaration must be a strong expression of political and moral commitments to sustainable development. Among other things, the Declaration should affirm the principles of sovereign rights of states over environment and natural resources, the rights of all peoples and states to develop, equitable sharing of responsibility, and the principle that unilateral barriers to free trade should not be imposed under the guise of environmental concerns.
- 2 *Agenda 21*. Priorities should be set for the programmes, projects and activities of Agenda 21. The criteria and procedure in prioritization should be transparent and there must be a proper balance between development and environmental projects.

In the development of a funding mechanism to finance the activities and programmes under the Agenda 21, there is a need to ensure that funds are available for both development and environmental projects. The Global Environment Facility (GEF) should be reviewed and revised in both its scope and mandate. The disbursement of its funds should involve the participation of both the developed and developing countries. There is a need to create a general Fund to deal with programmes not covered by GEF or other funds created under specific international conventions.

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

- (d) *SINGAPORE AND THE NON-ALIGNED MOVEMENT*: Speech By Mr Goh Chok Tong, Prime Minister of the Republic of Singapore, at the Tenth Conference of Heads of State or Government of Non-Aligned Countries held in Jakarta Hilton Convention Centre on Wednesday, 2 September 1992 (Singapore Government Press Release No: 2/SEP, 02-1/92/09/02)

... May I suggest that we ask ourselves some hard questions, questions that others have posed to us and questions that we ask each other privately:

- (1) Is the Non-Aligned Movement still relevant when there are no longer two superpowers in the world?
- (2) What should be the mission of the Non-Aligned Movement in the coming decades?
- (3) What can it realistically accomplish?
- (4) What concrete steps can we take to accomplish this?

No doubt many answers will be given to these questions here this week. I humbly suggest a few.

Firstly, the Non-Aligned Movement is still relevant. Half of humanity cannot be denied a voice on global issues. Industrialized countries meet either in the G7 or in OECD to discuss their common interests. Some of them have even formed closer associations, in the European Community and in the North American free Trade Arrangement. We too must have a forum where we can collectively put across our point of view.

But we must do so with humility, despite the large number of our members. We should not be afraid to learn from the more successful examples of international organizations. They make concrete decisions to improve the lives of their citizens. We should adopt the same attitude at our meetings.

Secondly, we should honestly admit some mistakes we have made in the past. There was a time when some in the Movement tried to hijack it by declaring that the former Soviet Union was a "natural ally" of the Non-Aligned Movement. Fortunately, despite the efforts of a determined few, we succeeded in preventing our wagons from being hitched to the former Soviet Union. Just imagine where this Movement would be today had these members succeeded in tying us to the former Soviet Union. We would have been an institution of the past, obsolete for the present and irrelevant to the future.

We should learn a lesson from this. In future we should be ruthlessly impartial and not allow our Movement to be aligned with any major power. We should serve our own interests first. To be effective, we need to build up a realistic capability to solve problems that exist among or in some of our member states. However, we should do so in coordination with the United Nations, both with the UN Secretary-General as well as the UN Security Council. This is a matter of necessity. We do not have the resources or the organizational capability to mount peacekeeping or peacemaking operations. By working closely with the UN we will also ensure that the UN Security Council pays equal attention to all regions and does not, say, neglect Somalia in favour of Yugoslavia. We can ensure that the UN is scrupulously fair.

Thirdly let us concentrate on working out realistic solutions to outstanding problems. We should not abandon the principled positions that we take on many of the issues on our agenda, whether it be on issues in the Middle East or Southern Africa. But we are all seasoned and realistic practitioners of the art of diplomacy. In situations of active conflict, where large segments of the population are dying from violence, hunger or deprivation, we should find realistic solutions. Those who are victims of ongoing conflicts would appreciate faster relief for their plight. I have no doubt that the credibility and reputation of the Movement would be significantly advanced if we develop a capability for problem-solving.

Fourthly, for the vast majority of our citizens economic development is the most pressing issue of the day. The era of high-sounding political slogans is over, or should be over. Our citizens want to see and experience real improvements in their lives, not more ideologies and rhetoric. They want to see practical results from the meetings of the Non-Aligned Movement, not reams of statements. We should concentrate on economic co-operation, and development policies and programmes which create wealth and resources. In this regard we could not have chosen a better Chairman to lead. Under the leadership of President Soeharto, who has led his nation through decades of peace and development, the standard of living of the Indonesian people has improved year after year. Indonesia's achievement of self-sufficiency

in food production, its deregulation of its economy, its successful population policy and active co-operation with neighbours can be replicated in other developing countries. We should ask our Chairman to share with us his philosophy of government and his wealth of tried and tested experience. I say this with conviction because I know how the members of ASEAN have benefitted from President Soeharto's wise leadership and strong support for regional co-operation. In the years that he has been at the helm in Indonesia, not only Indonesia but also ASEAN has grown from strength to strength. ASEAN is perhaps the most successful example of regional co-operation in the developing world.

Economic competition will be the big challenge for the next 10 years. Developed countries are not sitting on the bench waiting for the developing countries to catch up. They have fashioned new mutually beneficial arrangements among themselves. The Single European Market and the North American Free Trade Arrangement will improve the economic competitiveness of the members and the lives of their citizens. They may divert trade and investment from our countries, thus causing loss of jobs. We must try to work out equally practical and mutually beneficial arrangements among our own member states. The ASEAN countries have done so with its decision to create an ASEAN Free Trade Area within fifteen years. Other developing countries could set up similar arrangements. But in doing so, we should not abandon free trade principles and the multilateral trading system embodied by GATT, as protective regional economic blocs are a step backward from global free trade.

In 1990, the total amount of South-South exports was US\$573 billion. On the other hand, South-North exports were US\$1.1 trillion, or almost twice the size of South-South exports. I do not realistically foresee any great reduction in our dependence on markets in the developed countries in the near future. We should continue to promote South-North co-operation even as we enhance South-South co-operation. We should be pragmatic and realistic. We must expect, and be prepared for some diversion of OECD trade and aid resources from the developing world to East Europe and Russia. To ensure that our needs are not neglected we should work out mutually beneficial arrangements with the developed countries. Compassion fatigue has set in among their citizens. Therefore we are more likely to succeed if we appeal to their self-interest rather than their goodwill.

Great challenges lie ahead of us. We must recognize the problems. Given the enormous difficulties that our Movement faces, including how to change direction to cope with these new challenges, we should not be overly optimistic. However, I remain confident that under your resolute leadership and guidance, the Non-Aligned Movement will be energised to move in the right direction and at a good pace. I would like to end by assuring Your Excellency that Singapore will fully support your work in the coming years.

- (e) Speech By the Foreign Minister of Singapore, Mr Wong Kan Seng at the 47th United Nations General Assembly, 28 September 1992 (Singapore Government Press Release No: 39/SEP, 09-1/92/09/28)

...There can no longer be any doubt today that the Cold War, even though it terrified many of us in this room, effectively froze or suppressed many tribal, religious, ethnic and cultural divisions. The thawing of the Cold War has led to their re-

emergence. I only need to cite some obvious recent examples. Even as we speak, there are conflicts raging between Armenia and Azerbaijan over Nagorno-Karabakh, in Moldova, Georgia and in Afghanistan. Somalia is splintering, the former Yugoslavia has descended into tribal warfare. The world has still not recovered from the shock of the atrocities and the blatant disregard of basic humanitarian principles in Bosnia-Herzegovina in the name of "ethnic cleansing" which we condemn as an abhorrent practice.

In this setting it is appropriate and timely that the UN Secretary-General has produced his report "An Agenda For Peace: Preventive Diplomacy, Peace-making and Peace-keeping". Not every UN member will agree with its analysis. Nor will all the recommendations be universally endorsed. But it is a far-reaching document with concrete proposals for the maintenance of international peace and security. It also contains the Secretary-General's recommendations on ways to strengthen and make more efficient the capacity of the UN for preventive diplomacy, peace-making, peace-keeping and peace-building. We should congratulate the Secretary-General and his staff for putting together a comprehensive and thoughtful paper that raises the issues that member states need to address.

There is much in there for us to ruminate on but there is also room for us to add ideas to it. For example, the report, for obvious reasons, refrains from trying to apportion blame or investigate the causes for the recent conflicts. This should be the job of the member states. We need to be clear in our minds whether the explosion of new states in recent years is a natural and welcome development, something akin to what we saw in the era of decolonization, or whether it is a reflection of a state of disorder in the structures of human society that we have created in the twentieth century. Or is it the case, as the Agenda For Peace suggests, that the "deepest causes of conflict" are: "economic despair, social injustice and political oppression"? We need to be clear in our minds about what is happening because this will in turn define the mission that we will entrust to the UN: when a conflict breaks out within a state, should the mission of the UN be to resolve the conflict and peacefully reunite the factions. (as in Angola and El Salvador) or should the mission of the UN be to facilitate a peaceful division of the country (as in Yugoslavia)? These are not theoretical questions. These are practical questions that UN peacekeepers confront on a day-to-day basis in the former Yugoslavia and in Somalia.

Lest I be misunderstood, let me stress that I welcome the new member states that have joined the UN this year: Armenia, Azerbaijan, Bosnia-Herzegovina, Croatia, Georgia, Kazakhstan, Krygyzstan, Moldova, San Marino, Slovenia, Tajikistan, Turkmenistan and Uzbekistan. I believe that they would agree with me that if more new member states are going to join us, we should ensure that they emerge peacefully and not through war and conflict.

The Agenda For Peace also makes it clear that the functions of UN peacekeepers have gone far beyond their usual mandate. In the past, UN peacekeepers were traditionally sent in after a peace agreement had been worked out between warring parties. Today, the UN forces are involved in a variety of tasks ranging from elections monitoring to inspection of nuclear installations. The range of functions is expected to increase. As the Agenda For Peace points out, these will include preventive diplomacy, peacemaking, peacekeeping and peace building.

Let me also state the points of agreement that I have with the report. Firstly, I agree that the UN should play a more pro-active role in preventive diplomacy. As the report states, "preventive diplomacy requires measures to create confidence; it needs early warning based on information gathering and informal and formal fact-finding; it may also involve preventive deployment and, in some situations, demilitarized zones." Secondly, I also agree that the UN Security Council can now play a more active role because, as the report says, "with greater unity has come leverage and persuasive power to lead hostile parties towards negotiations." Thirdly, I agree that the UN should work in concert with regional groupings. I believe that ASEAN would be happy to do so. The UN's endorsement of the Treaty of Amity and Cooperation, signed in Bali, Indonesia in 1976, and recently acceded to by Laos and Vietnam, could make it a model for other regions to emulate also.

Having imposed these significant new burdens on the UN, it is absurd that member states, especially the permanent members of the UN Security Council, are depriving the UN of the funds needed to carry out these operations. Unpaid arrears for UN peacekeeping operations now amount to US\$800 million. They are likely to rise as the cost of peacekeeping operations for this year alone are likely to reach US\$3 billion.

Some of the biggest debtors to the UN come from countries of the North. It would be tragic for countries of the North to assume that they are immune from the political and economic travails of the South. Yugoslavia has demonstrated that these problems can explode at their doorsteps. The modern technology spun by the developed countries has made our world into a global village in the truest sense of the term. No villager can ignore a fire in the home of his fellow-villager for if he does his own home could be burnt.

We saw this clearly at the Rio Summit earlier this year. The countries of the North called upon the countries of the South to restrain their deforestation, their production of CFC's and their pollutive development for they were concerned that the effects of these activities in the South would wander into their homes. Yet while they expect the relatively impoverished countries of the South to make valiant sacrifices, they are not prepared to make equal sacrifices in their relatively affluent lifestyles. Given these difficulties, it is remarkable that the Rio Summit reached a consensus on Agenda 21. We in this General Assembly should endorse the Rio Declaration and Agenda 21 and adopt a good decision to establish a high-level Commission on Sustainable Development. The momentum achieved in Rio has to be maintained and followed up.

To address these environmental questions squarely, the world also needs to reinvigorate the global economy. We must convince the countries of the North that if they want the South to pay greater heed to their concerns on the global environment, they must in turn push the global economy forward by successfully completing the Uruguay Round as soon as possible. Instead of doing this, the countries of the North are concentrating on regional integration. Whatever the fate of the Maastricht Treaty, an integrated Single European Market will be in place by January 1993, bolstered by an expanded agreement with the EFTA countries that would bring about greater EC-EFTA economic co-operation known as the European Economic Area (EEA). The North American Free Trade Area (NAFTA) is about to be formed. If these arrangements only benefit the countries of the North, with no perceived

benefits to the South, the South is not likely to cooperate with the North on environmental issues.

Fortunately, the South has not been standing still. A major economic revolution is also taking place there, affecting the lives of billions of people, especially in large nations such as China, India, Pakistan and Indonesia. If present trends continue, by the year 2000, the ASEAN countries and the Asian NIE's will have a GDP of \$3.3 trillion, two-thirds of the US 1990 GDP or half of EC 1990 GDP. China could double its GNP within this decade. Clearly, some parts of the South are going to experience explosive economic growth.

Except for a few which still cling on to the virtues of the command economy, practically every country in the world now realises that it has to introduce economic reforms. The old economic systems with their manifest inefficiencies and inadequacies that hindered their economic growth had to be discarded. Except for a very few, all states are working to introduce the market-economy system. But such adjustment to open economic competition is not without sacrifices and great political costs. The transitional economies have experienced great economic difficulties and dislocations in their initial periods of adjustment. The North should see it in its interest to help these countries by fighting protectionism. With such support, the developing countries should be able to pull off this economic transition successfully.

If this massive economic revolution in the South succeeds, the world will experience a rising tide that will lift all of mankind, those living in the South and those in the North. It is also likely that this rising tide could help to extinguish the flames of tribal and ethnic discord that have erupted around the globe. South East Asia has sometimes been called Balkans of Asia. Despite this, the ASEAN countries have already experienced two decades of peace and economic development. Through regional cooperation in ASEAN and the concentration of national energies in economic development, ASEAN has become the most peaceful and prosperous part of the Third World. There is no reason why this ASEAN experience cannot be duplicated in the rest of the world. I hope that this Session of the General Assembly will give some thought to this as it searches for solutions to the ongoing traumas we are witnessing.

(f) *ESTABLISHMENT OF DIPLOMATIC RELATIONS*

The Government of the Republic of Singapore, wishing to strengthen and develop friendly relations with the following, has agreed with the following to establish diplomatic relations with their countries:

1. The Government of the Republic of Belarus (with effect from 12 August 1992);
2. The Government of the Republic of Kyrgyzstan (with effect from 27 August 1992);
3. The Government of the Marshall Islands (at Ambassadorial level, with effect from 28 August 1992);

4. The Government of the Kingdom of Swaziland (with effect from 1 September 1992); and
5. The Government of Jamaica (with effect from 1 November 1992).

(g) *SINGAPORE'S RECOGNITION OF INDEPENDENCE AND SOVEREIGNTY OF BOSNIA-HERZEGOVINA, CROATIA AND SLOVENIA* (Singapore Government Press Release No: 14/MAY, 09-0/92/05/15)

The Singapore Government has decided to recognize the independence and sovereignty of Bosnia-Herzegovina, Croatia and Slovenia.

Singapore welcomes the entry of these countries into the community of nations and looks towards developing friendly and mutually beneficial relations with them.