

SINGAPORE AND INTERNATIONAL LAW⁺

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

- I. Treaties, Declarations and other Instruments
- II. Treaties, Declarations and other Instruments of the Association of Southeast Asian Nations (ASEAN)*
- III. Legislation and Judicial Decisions on International Law
- IV. Singapore and International Relations
 - (i) General
 - (ii) Policy Statements

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. TREATIES, DECLARATIONS AND OTHER INSTRUMENTS

(4) Bogor Declaration

APEC ECONOMIC LEADERS' DECLARATION OF COMMON RESOLVE

Bogor, Indonesia
November 15, 1994

1. We, the economic leaders of APEC, came together in Bogor, Indonesia, today to chart the future course of our economic cooperation which will enhance the prospects of an accelerated, balanced and equitable economic growth not only in the Asia Pacific region, but throughout the world as well.
2. A year ago on Blake Island in Seattle, USA, we recognized that our diverse economies are becoming more interdependent and are moving toward a commu-

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

nity of Asia Pacific Economies. We have issued a vision statement in which we pledged:

- to find cooperative solutions to the challenges of our rapidly changing regional and global economy;
 - to support an expanding world economy and an open multilateral trading system;
 - to continue to reduce barriers to trade and investment to enable goods, services and capital to flow freely among our economies;
 - to ensure that our people share the benefits of economic growth, improve education and training, link our economies through advances in telecommunication and transportation, and use our resources sustainably.
3. We set our vision for the community of Asia Pacific economies based on a recognition of the growing interdependence of our economically diverse region, which comprises developed, newly industrializing and developing economies. The Asia Pacific industrialized economies will provide opportunities for developing economies to increase further their economic growth and their level of development. At the same time developing economies will strive to maintain high growth rates with the aim of attaining the level of prosperity now enjoyed by the newly industrializing economies. The approach will be coherent and comprehensive, embracing the three pillars of sustainable growth, equitable development and national stability. The narrowing gap in the stages of development among the Asia Pacific economies will benefit all members and promote the attainment of Asia Pacific economic progress as a whole.
- enhancing trade and investment liberalization in Asia Pacific; and
 - intensifying Asia Pacific development cooperation.
4. As we approach the twenty-first century, APEC needs to reinforce economic cooperation in the Asia Pacific region on the basis of equal partnership, shared responsibility, mutual respect, common interest, and common benefit, with the objective of APEC leading the way in:
- strengthening the open multilateral trading system;
5. As the foundation of our market-driven economic growth has been the open multilateral trading system, it is fitting that APEC builds on the momentum generated by the outcome of the Uruguay Round of Multilateral Trade Negotiations and takes the lead in strengthening the open multilateral trading system.

We are pleased to note the significant contribution APEC made in bringing about a successful conclusion of the Uruguay Round. We agree to carry out our Uruguay Round commitments fully and without delay and call on all participants in the Uruguay Round to do the same.

To strengthen the open multilateral trading system we decide to accelerate the implementation of our Uruguay Round commitments and to undertake work aimed at deepening and broadening the outcome of the Uruguay Round. We also agree to commit ourselves to our continuing process of unilateral trade and investment liberalization. As evidence of our commitment to the open multilateral trading system we further agree to a standstill under which we will endeavour to refrain from using measures which would have the effect of increasing levels of protection.

We call for the successful launching of the World Trade Organization (WTO). Full and active participation in and support of the WTO by all APEC economies is key to our ability to lead the way in strengthening the multilateral trading system. We call on all non-APEC members of the WTO to work together with APEC economies toward further multilateral liberalization.

6. With respect to our objective of enhancing trade and investment in Asia Pacific, we agree to adopt the long-term goal of free and open trade and investment in Asia Pacific. This goal will be pursued promptly by further reducing barriers to trade and investment and by promoting the free flow of goods, services and capital among our economies. We will achieve this goal in a GATT-consistent manner and believe our actions will be a powerful impetus for further liberalization at the multilateral level to which we remain fully committed.

We further agree to announce our commitment to complete the achievement of our goal of free and open trade and investment in Asia Pacific no later than the year 2020. The pace of implementation will take into account the differing levels of economic development among APEC economies, with the industrialized economies achieving the goal of free and open trade and investment no later than the year 2010 and developing economies no later than the year 2020.

We wish to emphasize our strong opposition to the creation of an inward-looking trading bloc that would divert from the pursuit of global free trade. We are determined to pursue free and open trade and investment in Asia Pacific in a manner that will encourage and strengthen trade and investment liberalization in the world as a whole.

Thus, the outcome of trade and investment liberalization in Asia Pacific will not only be the actual reduction of barriers among APEC economies but also between APEC economies and non-APEC economies. In this respect, we will give particular attention to our trade with non-APEC developing countries to ensure that they will also benefit from our trade and investment liberalization, in conformity with GATT/WTO provisions.

7. To complement and support this substantial process of liberalization, we decide to expand and accelerate APEC's trade and investment facilitation programs. This will promote further the flow of goods, services and capital among APEC economies by eliminating administrative and other impediments to trade and investment.

We emphasize the importance of trade facilitation because trade liberalization efforts alone are insufficient to generate trade expansion. Efforts at facilitating trade are important if the benefits of trade are to be truly enjoyed by both business and consumers. Trade facilitation has also a pertinent role in furthering our goal of achieving the fullest liberalization within the global context.

In particular we ask our ministers and officials to submit proposals on APEC arrangements on customs, standards, investment principles and administrative barriers to market access.

To facilitate regional investment flows and to strengthen APEC's dialogue on economic policy issues, we agree to continue the valuable consultations on economic growth strategies, regional capital flows and other macro-economic issues.

8. Our objective to intensify development cooperation among the community of Asia Pacific economies will enable us to develop more effectively the human and natural resources of the Asia Pacific region so as to attain sustainable growth and equitable development of APEC economies, while reducing economic disparities among them, and improving the economic and social well-being of our people. Such efforts will also facilitate the growth of trade and investment in the Asia Pacific region.

Cooperative programs in this area cover expanded human resource development (such as education and training and especially improving management and technical skills), the development of APEC study centres, cooperation in science and technology (including technology transfer), measures aimed at promoting small and medium scale enterprises and steps to improve economic infrastructure, such as energy, transportation, information, telecommunications and tourism. Effective cooperation will also be developed on environmental issues, with the aim of contributing to sustainable development.

Economic growth and development of the Asia Pacific region has mainly been market-driven, based on the growing interlinkages between our business sectors in the region to support Asia Pacific economic cooperation. Recognizing the role of the business sector in economic development, we agree to integrate the business sector in our programs and to create an ongoing mechanism for that purpose.

In order to facilitate and accelerate our cooperation, we agree that APEC economies that are ready to initiate and implement a cooperative arrangement may proceed to do so while those that are not yet ready to participate may join at a later date.

Trade and other economic disputes among APEC economies have negative implications for the implementation of agreed cooperative arrangements as well as for the spirit of cooperation. To assist in resolving such disputes and in avoiding their recurrence, we agree to examine the possibility of a voluntary consultative dispute mediation service, to supplement the WTO dispute settle-

ment mechanism, which should continue to be the primary channel for resolving disputes.

10. Our goal is an ambitious one. But we are determined to demonstrate APEC's leadership in fostering further global trade and investment liberalization. Our goal entails a multiple year effort. We will start our concerted liberalization process from the very date of this statement.

We direct our ministers and officials to immediately begin preparing detailed proposals for implementing our present decisions. The proposals are to be submitted soon to the APEC economic leaders for their consideration and subsequent decisions. Such proposals should also address all impediments to achieving our goal. We ask ministers and officials to give serious consideration in their deliberations to the important recommendations contained in the reports of the Eminent Persons Group and the Pacific Business Forum.

11. We express our appreciation for the important and thoughtful recommendations contained in the reports of the Eminent Persons Group and the Pacific Business Forum. The reports will be used as valuable points of reference in formulating policies in the cooperative framework of the community of Asia Pacific economies. We agree to ask the two groups to continue with their activities to provide the APEC economic leaders with assessments of the progress of APEC and further recommendations for stepping up our cooperation.

We also ask the Eminent Persons Group and the Pacific Business Forum to review the interrelationships between APEC and the existing sub-regional arrangements (AFTA, ANZERTA and NAFTA) and to examine possible options to prevent obstacles to each other and to promote consistency in their relations.

APEC Economic Leaders
Bogor, Indonesia
November 15, 1994

- (5) *United Nations Convention on the Law of the Sea*: Ministry of Foreign Affairs Press Release (17 November 1994)

... Singapore ratified the Convention on 11 November 1994 and is proud to have played an active and instrumental role in the negotiations leading to its adoption by the Third United Nations Conference on the Law of the Sea. Professor Tommy Koh, Ambassador-at-Large, who was then the Permanent Representative of Singapore to the United Nations in New York, was the President of the Third United Nations Conference on the Law of the Sea in 1981 and 1982.

III. LEGISLATION AND JUDICIAL DECISIONS ON INTERNATIONAL LAW

The second reading of the International Arbitration Bill (Bill No 14/94) in Parliament took place on 31 October 1994. It incorporates the Model Law on International Commercial Arbitration drafted by the United Nations Commission on International Trade Law. It also repeals and re-enacts, with modifications, provisions of the Arbitration (Foreign Awards) Act (Cap 10A, 1985 Rev Ed).

The following regulations were made by the Minister for Trade and Industry pursuant to the Control of Imports and Exports Act (Cap 56, 1985 Rev Ed):

- The Prohibition of Imports and Exports (Haiti) (Revocation) Order 1994 (GN S 405/94); effective from 16 October 1994.

The following regulations were made by the Minister for Finance pursuant to the Income Tax Act (Cap 134, 1994 Rev Ed):

- The Income Tax (Singapore-Vietnam) (Avoidance of Double Taxation Agreement) Order 1994 (GN S 346/94); effective from 5 September 1994.

IV. SINGAPORE AND INTERNATIONAL RELATIONS

(i) General

(10) *Presentation of Credentials*

The following presented their Credentials to the President of the Republic of Singapore at the Istana on the dates stated:

- a. The Ambassador of Greece, His Excellency Mr Ioannis Fotopoulos – 5 July 1994; and
- b. The Ambassador of Chile, His Excellency Mr Carlos Tudela – 5 July 1994.

(11) *Appointments*

The Government of the Republic of Singapore has appointed Lt-Gen (Ret) Winston Choo Wee Leong as Singapore's next Ambassador to Fiji, and Mr Calvin Eu Mun Hoo as the first Ambassador to Yangon.

(12) Comments by MFA Spokesman (Singapore Government Press Release No: 14/JUL, 09-0/94/07/09)

In response to queries from the press on the reports of the death of DPRK President Kim Il Sung, the MFA spokesman said that Singapore was shocked to hear of the

sudden demise of President Kim, coming so soon after the historic agreement between the Republic of Korea and the DPRK to hold a Summit Meeting in Pyongyang on 25 July 94. Singapore hopes that President Kim's death will not lead to instability on the Korean Peninsula.

- (13) *Singapore and the United Kingdom*: Speech by Prime Minister of Singapore, Mr Goh Chok Tong at the Banquet hosted by the Lord Mayor of London at Mansion House, United Kingdom, on 18 April 1994 (Singapore Government Press Release No: 17/APR, 02-1/94/04/18)

... This is my first official visit to the United Kingdom (UK) as Prime Minister, and I am honoured by your hosting of this banquet for me in magnificent Mansion House.

The pre-eminent position of the City of London in the world of finance is unchallenged. Singapore is grateful to the City for its assistance and advice when we took our first steps more than twenty years ago to be a financial centre in our part of the world. The growth of the financial markets in Asia in the past two decades parallels the expansion of the Asian economies. With continued cooperation and information sharing between our financial markets and the City, I hope to see continued good ties between our two cities.

The United Kingdom and Singapore have long-established ties. British rule in Singapore ended without acrimony and, indeed, Singapore benefited from the political, educational, legal and administrative institutions left behind by Britain. They have become part of our heritage.

Our relations were built on extensive economic and political ties. Up to the 1960s, Britain's presence in Asia was paramount. British trade and investments dominated Singapore's economy. Asia, at that time, faced vast problems of poverty and low prospects for development. British companies were among the few major foreign investors in Asia and British political influence was strong. In particular, UK's role in the Five Power Defence Arrangements contributed to the regional peace in South-east Asia.

At a personal level, a generation of post-war British-educated political leaders like Mr Lee Kuan Yew and his colleagues enjoyed special political and personal relations with British leaders. These personal ties added to the excellent ties between our two countries.

But, in recent years, our two countries have emphasised different priorities. The United Kingdom reoriented itself to Europe while Singapore worked closely with its ASEAN neighbours to establish our destiny within Southeast Asia and the larger Asian community.

... The Asia that exists today and the Asia that the UK knew very deeply are no longer the same. Asia is emerging as an economic power house from the abject poverty and low hopes of three decades ago. Many Asian countries are growing robustly, with China leading the way with double-digit growth rate.

Singapore quite naturally has increased its attention on the emerging economies in Asia. If our two countries continue to emphasize on different regions of the world, our historical ties may loosen. This is not to our advantage.

The question is: how do we recapture our strong ties of the past?

I had deliberately embarked on an European expedition, first to Germany and the UK, after my visits to the emerging Asian economies. I thought it important to signal our interest in Europe and, in turn, to attract European interest to our region. I believe the UK would find it beneficial to deliberate on its already extensive relations with the emerging Asian economies and decide on how these relations fit into its other interests worldwide.

The German leaders I met last week took pains to highlight their Asian policy. They are keenly aware of the vast changes taking place in Asia and want to participate in its growth and ride on it.

The UK businesses have a long relationship with Asia. It will be ironical if UK which had such a prominent presence in the past is perceived in the future as a lesser player in the burgeoning Asian economies.

I hope that the UK would in due course reassert its economic presence in Asia. In Asia, you enjoy a clear comparative advantage over many of your European partners. Your economic presence in Singapore and Hong Kong is substantial. We provide ready platforms for British companies to launch their business interests in Asia.

The possibilities of synergy between Singapore and British companies in Asia are immense. We welcome British companies to join us in riding the crest of growth in Asia. We will benefit from your technology and resources and we believe you will gain from our knowledge and connections in the region. Like Mr Dick Whittington who knew how to use the service of his cat to parley a great fortune and rise to become one of your eminent predecessors, My Lord Mayor, we too will have put our respective resources to good use to make our fortunes from the new economic challenges ahead...

(14) *Singapore and Myanmar*: Speech by Mr Yeo Cheow Tong, Minister for Trade and Industry, to the Singapore Chinese Chamber of Commerce & Industry (SCCCI) Mission, in Yangon, Myanmar, on 24 August 1994 (Singapore Government Press Release No: 41/AUG, 15-1/94/08/24)

... This mission is a good example of how our public sector can assist and support our private sector in its effort to develop a second wing.

By ensuring that we have good bilateral relationship with our neighbours, the Government can help to facilitate business linkages between our companies and others in the region. But while the Government can help to open doors, ultimately, it is private sector enterprise and initiative that dictate whether the business opportunities can be realised.

I am also glad that what had started originally as a SCCCI mission has been subsequently expanded to include representatives of the SICC. Our private sector companies and organisations must cooperate closely by sharing information, and forming joint venture partnerships if a project is too large or entails too high a risk for one organisation to undertake on its own.

The opportunities in the region are more than any organisation can handle on its own. For larger scale projects, it is also unlikely for most organisations to possess

the complete range of capabilities and resources needed. Indeed, the synergy arising from such cooperation enables individual companies to achieve more than what they could on their own. The private sector consortium which is investing in tourism development projects in Myanmar is a prime example of how this concept can work.

Another factor which we must never overlook in our regionalisation efforts is that it is equally important that our ventures also benefit the host country. The secret behind Singapore's success and growth is our commitment to long-term relationships, our belief in ensuring that our partners derive value and benefit from such a relationship. In short, this means having a "win-win" arrangement for all parties in everything that we do.

This philosophy of mutual benefit applies also to our relationship with Myanmar. Singapore has accumulated a fair amount of experience and technical expertise in our efforts to develop. Myanmar is welcome to share our experience, and to learn from our successes, as well as our mistakes. We welcome Myanmar's economic development, as its growth and prosperity will in turn strengthen the region's economy and stability.

Myanmar has abundant resources and a wealth of natural, historical and cultural attractions. Properly managed, these resources will enable Myanmar to develop rapidly. Singapore is prepared to cooperate in the development of Myanmar's tourism industry and agro-business. Our private sector has in fact formed a consortium to explore potential tourism projects which are not only commercially viable, but which can contribute significantly to Myanmar's tourism development.

Conclusion

These additional investments will further strengthen Singapore as one of the largest foreign investors in Myanmar. Our Prime Minister's visit earlier this year has been followed by many Singapore business missions. That key SCCC and SICC members are here today further affirms the confidence of Singapore companies in Myanmar's potential. This bodes well for the future of Singapore-Myanmar relations....

- (15) *Singapore and Japan*: Speech by Prime Minister Mr Goh Chok Tong at the State Banquet in Honour of His Excellency Mr Tomiichi Murayama, Prime Minister of Japan, at the Istana on 29 August 1994 (Singapore Government Press Release No: 48/AUG, 02-1/94/08/29)

... Japan and Singapore enjoy a warm and cordial relationship. Japan is Singapore's third largest trading partner and second largest foreign investor. The number of Japanese tourists visiting Singapore is second only to the ASEAN countries'. Last year, during my visit to Japan, our two countries agreed on a Japan-Singapore Partnership Programme to jointly train nationals from third countries. This programme is now under way.

Good relations between our two countries provide the basis for our cooperation in international fora. In the ASEAN Post-Ministerial Conferences, the ASEAN Regional Forum, and in APEC, we find common ground in promoting greater political and economic cooperation within the Asia-Pacific region.

Japan has long understood the underlying forces that draw the Asia-Pacific countries together. In 1967, the late Japanese Foreign Minister, Takeo Miki, floated the idea of a pan-Pacific community. In 1979, the Ohira Cabinet made the proposal one of its main foreign policy objectives. Today, APEC and the ASEAN Regional Forum, while not the initiatives of Japan, underscore the foresight of Japanese leaders.

A long period of peace in the region has boosted optimism about the future. The Asia-Pacific is experiencing a rate of growth and transformation on a scale unprecedented in history. When this transformation is completed some time in the next century, it would have changed for the better the lives of over 2 billion East Asians. The statistics speak for themselves. In 1965, East Asia's GDP was only US\$187 billion, or 9.2% of the world's total GDP. In 1992, it reached US\$5.2 trillion or 22.3% of global GDP. By the year 2030, the wider Asia-Pacific region (including both East Asia and North America) is forecast to produce two-thirds of the world's total output.

By then, the economic centre of gravity will be in the Asia-Pacific. Barring a major catastrophe, the Asia-Pacific will have a chain of industrialised and newly-industrialising countries linking the US across the Pacific Ocean to Japan and Korea, through China, Vietnam, ASEAN, and down to Australia and New Zealand. Our peoples can look forward to a really bright future.

Singapore believes that greater cooperation and integration within the Asia-Pacific is both desirable and necessary to underpin this bright future. The ASEAN Regional Forum and APEC are complementary and mutually reinforcing processes. The ASEAN Regional Forum promotes regional security, a necessary condition for economic growth. On the other hand, APEC by promoting cooperation, freer trade and investment, raises the standards of living of its members and strengthens security. Japan, by virtue of its economic weight, should play an active and leading role in broadening and deepening cooperation in the region....

(16) *Singapore and Republic of Korea:*

A. Comments by MFA Spokesman (Singapore Government Press Release No: 03/SEP, 09-0/94/09/01)

In response to press enquiries the Ministry of Foreign Affairs (MFA) Spokesman said that Prime Minister Goh Chok Tong and the Republic of Korea (ROK) Prime Minister Lee Yung Dug had an extensive and fruitful discussion this morning. On bilateral relations, the two Prime Ministers agreed to study several proposals to further develop and strengthen the close and complementary relationship between the two countries. These proposals include building a "bridge" to facilitate companies from the two countries to network, cooperate and establish joint ventures in third countries in the region; expanding the framework of the Singapore-ROK Third Country Programme to cover the training of private sector personnel in support of Singapore-ROK economic cooperation and activities in selected third countries; cooperation in the fields of electronics and information technology; and bilateral cultural and high-level personnel exchanges to promote social and national development.

On the Asia-Pacific Economic Conference (APEC), the Prime Ministers agreed that the two countries would consult and work closely together and, also with other APEC members, to ensure the success of the APEC Informal Leaders' Meeting in Indonesia, in particular, in forging a workable consensus on the attainment of freer trade in the Asia-Pacific region.

Prime Minister Lee briefed Prime Minister Goh on the latest developments in the Korean Peninsula and the North Korean nuclear issue. Prime Minister Goh expressed Singapore's support for the peaceful reunification of the two Koreas.

B. Speech by the Prime Minister of Singapore, Mr Goh Chok Tong, at the Dinner hosted in Honour of His Excellency Mr Lee Yung Dug, Prime Minister of the Republic of Korea in Singapore on 1 September 1994 (Singapore Government Press Release No: 05/SEP, 02-1/94/09/01)

I welcome Prime Minister Lee Yung Dug and Mrs Lee, and the distinguished members of the Korean delegation to Singapore. Your visit allows me to reciprocate the gracious hospitality extended to me and my delegation during my visit to your country last November.

Korea and Singapore have many things in common. We are both newly industrialized economies. We are both committed to playing responsible roles within the international community.

Korea and Singapore have benefited from the General Agreement on Trade and Tariff (GATT) free trade system. Together with the other Contracting Parties, we can work in the World Trade Organisation to further reduce or eliminate barriers that impede world trade and economic growth.

Korea and Singapore recognize the need to give further impetus to regional cooperation to sustain economic growth in the Asia-Pacific. Korea has played a key role in the development of the Asia-Pacific Economic Conference (APEC). Singapore will join Korea and other APEC members in giving our strongest support to Indonesia to ensure a successful APEC Leaders' Meeting in Bogor this November. I hope that together, we will be able to advance the APEC process further and set clear directions for future cooperation.

But economic growth and prosperity will not be possible without conditions of peace and stability in the region. It is no longer possible to insulate one region, or sub-region, from developments in other parts of the world. For instance, what happens in the Korean peninsula will inevitably affect our part of the world.

To preserve regional stability, we need to build new frameworks for security cooperation and constructive dialogue that engage the major players in the region. This approach will help provide a measure of predictability and stability. The Association of Southeast Asian Nations (ASEAN) Regional Forum is a prime example of this approach. We hope that through the ASEAN Regional Forum (ARF) important regional issues can be discussed. Consultation and dialogue will build trust and confidence, and help avoid conflict.

Bilaterally, Singapore and Korea enjoy an excellent, problem-free relationship. Korea was Singapore's ninth largest trading partner in 1993 and our total two-way trade flow is likely to exceed US\$5 billion by the end of 1994. However, our economic relations still rest on a relatively narrow base. I said in Korea that there was scope

for us to work together in developing new business joint ventures in third countries. I hope both Korean and Singapore business leaders will put in greater effort to explore business partnerships in the region. As the region grows, there will be ample opportunities for Singapore and Korea to engage in fruitful, cooperative partnership.

Your visit reflects the increasing closeness in relations between our two countries. It will spur the growing interest among Singaporeans and Koreans to learn more about each other and to cooperate more actively for mutual gain and benefit....

(17) *Singapore and India*: Speech by the Prime Minister, Mr Goh Chok Tong, at the Dinner hosted in Honour of His Excellency Mr Narasimha Rao, Prime Minister of the Republic of India in Singapore on 8 September 1994 (Singapore Government Press Release No: 12/SEP, 02-1/94/09/08)

It gives me great pleasure to welcome you and your delegation to Singapore. Earlier this year, you accorded Singapore a great honour by inviting me as the Chief Guest at India's Republic Day. Today, we are privileged to have the opportunity to reciprocate your hospitality.

Prime Minister, Singapore respects you as an international statesman and a wise leader. You show great strength and political courage in introducing bold economic reforms to India – reforms that will integrate India with the world economy. These market reforms have quintupled India's economic growth rates, from 1.2 per cent in 1991 to a projected six per cent in 1994. If India deregulates its economy further and welcomes foreign investments, it will emerge as a mega economy in the next century.

Your visit to our part of the world at a time of pressing concerns at home demonstrates India's desire to be part of the Asia-Pacific region. We welcome India. India's development will contribute to the larger historic transformation of the Asia-Pacific region.

Singapore welcomes closer relations with India. During my visit to India, I expressed Singapore's desire to forge a strategic alliance with India based on the complementarity of our strengths. Singapore companies can invest in India to build on your comparative advantage of a vast skilled labour pool and huge domestic market. On the other hand, India can use Singapore as a gateway to Southeast Asia and the Asia-Pacific....

Your visit to Singapore has provided another impetus to broaden our links. Today, we witnessed the signing of a Memorandum of Understanding on political consultation between our Foreign Ministries. We will soon have an Investment Guarantee Agreement and a Memorandum of Understanding on defence cooperation.

My Government is fully satisfied with the rapid progress in our relationship in the past two years. Looking to the future, I am optimistic that this mutually beneficial relationship will translate into meaningful and tangible results for our peoples....

- (18) *Singapore and Australia: "Integrating Asia in the World Economy"*, Speech by Mr Goh Chok Tong, Prime Minister of Singapore, at the 12th Asia Lecture hosted by the Asia-Australia Institute on 12 September 1994, in Sydney, Australia (Singapore Government Press Release No: 21/SEP, 02-1/94/09/12)

... A REGIONAL PARTNERSHIP

Australia's Reorientation Toward Asia

Australia's location and evolving cultural mix place it in a good position to link up Asia and the West. After years of identifying itself economically and socially with the West, Australia is increasingly aware of its Asian neighbours and interests. 60 per cent of Australian students will speak an Asian language by the year 2000. More than 600,000 people of Asian descent now live in Australia, 3.5 per cent of the population. Immigration will double this ratio by the year 2010.¹

Australia's pattern of trade has already swung towards Asia, especially East Asia. More than two-thirds of Australia's exports go to Asia today, compared to less than half in 1980. Japan alone buys more from Australia than the America and the European Union combined. The six ASEAN nations buy more from Australia than the twelve European Union members. And nearly half of Australia's imports come from Asia....

... Asians are investing more in Australia, especially in homes and real estate. Singaporeans contribute actively to the development of the Australian property market. Australia's beaches, golf courses, and wide open space are big attractions to tourists from crowded cities in Japan, Hong Kong and Singapore.²

Economic integration between Australia and Asia is gaining momentum. Your resource-based industries, high value consumer products and services, and sophisticated infrastructure development firms give you a strong lead in Asia. Asia's imports of highly processed foods are growing by more than 20 per cent per year.³ Asia's infrastructural needs are worth an estimated A\$600 billion over the next five years. Australia's export of telecommunications is one of its fastest growth industries.

An Australia-Singapore Regional Partnership

A partnership between Australia and Singapore to invest in the region has considerable potential.

Australia and Singapore share a warm and close relationship. We have no bilateral problems. We share a commitment to freer global trade and open markets. We both want Asia to be integrated into the world economy, and APEC to grow in strength.

¹ Data from "A survey of Australia", *The Economist*, 4 April 92.

² The Australian Tourist Commission predicted two years ago that the number of tourists to Australia will rise from below 2.5 million in 1991 to 6.5 million in 2000, half of whom would come from East Asia.

³ The agri-food industry, Australia's biggest earner of export income, has been growing at less than half (4% p.a.) the world average (11% p.a.), however, ["Looking north hungrily for a bite of the market", *Business Times*, 10 August 94]

As Australia reaches out for a greater role in Southeast Asia, it will have a friend and partner in Singapore. Singapore's drive to go regional is inclusive, not exclusive. We need partners, and Australia is a suitable one. Our government agencies and business corporations have built up rapport and confidence with their Australian counterparts. We speak the same language, and we appreciate each other's directness.

We already cooperate across a wide range of functional areas like defence, trade, communications, sports, arts and education. More can be done. Australia and Singapore can increase sea and air links. This will help us to meet our mutual goals of serving as business hubs for the booming Asia Pacific region. Our telecommunication authorities can cooperate to meet the challenges of rapid advances in technology.

A good example of cooperation with much potential is the Singapore-Victoria-Jiangsu tripartite initiative, which was launched earlier this year. Singapore will partner the state of Victoria to invest in the province of Jiangsu in China. This can be a model for other trilateral initiatives with Australian state governments.

Cooperation should extend beyond the official level. Where there are business opportunities, there will be businessmen. The timing is favourable. Australia is carving a niche in the region at a time when Singapore is going regional. Australian companies have expertise in tourist resort development, food processing, mining and infrastructural development. They can partner Singapore companies in their regionalisation drive, and invest in other ASEAN countries, China, Vietnam and India.

Singapore welcomes Australian participation in specific projects in ASEAN countries. Singapore and Indonesia will collaborate to develop new tourist destinations in Indonesia. Australian investments are welcome in hotel, resort and infrastructure development in Indonesia.

Australian companies can also take an equity stake in some of our proposed projects in other countries. For example, Singapore's Jurong Town Corporation (JTC) is developing a new industrial park in Vietnam. Australian companies searching for a lower cost production base can become tenants in our industrial parks in China and Vietnam, which provide ready facilities and a transparent and familiar operating environment.

I shall be proposing some ideas to Prime Minister Paul Keating to enhance our economic cooperation. One will be a proposal to set up a Singapore-Australia Business Council. The Council will provide a forum for Singapore and Australia businessmen to meet, network and work out new joint ventures for mutual benefit.

Australia is the most Asianized country of Western origin. Singapore is an Asian country with close cultural and political affinities with the rest of Asia. We are familiar with both Asian and Western business practices, cultures, customs and social etiquette. Together, Australia and Singapore can seize the opportunities in the region, and in turn help the region to develop.

This is my mission to Australia – to strengthen our strategic links.

- (19) *Singapore and Malaysia: Joint Press Release on the Seventh Meeting between Malaysia and Singapore on the Demarcation of the Boundary in the Straits of Johor, Kuala Lumpur, Malaysia 12 – 14 October 1994 (Singapore Government Press Release No: 09-0/94/10/14)*

The Seventh Meeting between Malaysia and Singapore on the demarcation of the boundary in the Straits of Johor was held from 12 – 14 October 1994 in Kuala Lumpur, Malaysia. The Malaysian Delegation was led by Mr Azmeer bin Rashid, Secretary General of the Ministry of Land and Cooperative Development, Malaysia. The Singapore Delegation was led by Mr S Tiwari, Senior State Counsel, Attorney General's Chambers, Singapore.

The Meeting was conducted in a cordial and friendly atmosphere reflecting the close good neighbourly relations and cooperation between the two countries.

The two sides took up for discussion the proposed Boundary Agreement. The Boundary Agreement delimits precisely the territorial waters in accordance with the Straits Settlements and Johore Territorial Waters Agreement 1927. The discussions were successful and the Boundary Agreement finalised.

Each side would now present the Boundary Agreement to their respective Governments for approval with a view to bringing it into effect as soon as possible.

- (20) *Singapore and the People's Republic of China: Speech by President Ong Teng Cheong at the State Banquet held in Singapore on 9 November 1994 in Honour of HE Mr Jiang Zemin, President of the People's Republic of China (Singapore Government Press Release No: 18/NOV, 01-1/94/11/09)*

I am pleased to welcome Your Excellency and your distinguished delegation to Singapore. Your visit is a signal honour. It also gives me the opportunity to reciprocate the warm hospitality extended to me when I last visited China in May 1993 as Deputy Prime Minister.

... Through bold and pragmatic economic reforms, China has made great progress. As a result, the Chinese people today enjoy a standard of living that their parents could have only dreamt about.

The challenges that China faces today are firstly, how to sustain growth without overheating China's economy. Secondly, how to manage change that attends growth, without undermining the social and political fabric of Chinese society. It is in Asia's and the world's interests that you succeed in meeting these enormous challenges, and contribute to global economic growth, peace and stability.

... In recent years, our two governments have stepped up the exchange of high-level visits and study missions. Today, we actively cooperate in many fields ranging from legal administration, health, education and culture.

Economic links between our countries are expanding. In the first nine months of 1994, total trade between our two countries registered US\$3.8 billion, growing by 12.5 per cent over the same period last year. Singapore is presently China's fifth largest foreign investor, with over 3,800 projects worth US\$6.8 million.

The Singapore-Suzhou Industrial Township stands as a concrete example of our commitment to cooperate for mutual benefit. Rapid progress has been made. The

Suzhou Township is now the largest industrial zone in China being developed jointly by Chinese and foreign investors.

We are just as supportive of economic cooperation between Singapore and Shandong Province. The formation of the Singapore-Shandong Business Council last year will lead to more investments in Shandong and trade between our two countries.

The success of the Suzhou and Shandong projects will lead to further cooperation between Singapore and the other Chinese provinces and cities.

... The ASEAN Regional Forum and Asia Pacific Economic Cooperation (APEC) are two of the most significant multi-national institutional developments in this region in recent years.

Politically, the ASEAN Regional Forum provides a framework for dialogue and consultation that will help to reduce uncertainties brought about by the end of the Cold War.

Economically, APEC, with its emphasis on trade and investment liberalisation and cooperation will contribute to the growth of the Asia Pacific region. In a few days' time, Indonesia will host the second informal APEC Leaders' Meeting in Bogor. Your Excellency will be among the leaders present at the meeting. The Bogor Meeting presents the APEC leaders an historic opportunity to transform the region through trade and investment liberalisation. I hope the APEC leaders will be bold in translating their vision painted in Seattle into reality in Bogor.

How China acts and reacts shape events in the region and globally. China's active participation in the ASEAN Regional Forum and APEC is an assurance of China's commitment to peace and economic progress....

(ii) Policy Statements

(10) *The Non-Aligned Movement*

"Priorities for the Non-Aligned Movement (NAM) in the Next Century": Statement by Prof S Jayakumar, Minister for Foreign Affairs and Minister for Law, Leader of the Singapore Delegation to the 11th Conference of Foreign Ministers of the Non-Aligned Countries, Cairo, Egypt, 31 May 1994 (Singapore Government Press Release No: 30/MAY, 09-1/94/05/31)

... I would like to identify three priorities for the Movement [*ie*, Non-Aligned Movement (NAM)]. First, our Movement must ensure a greater unity and commonality of views on global political issues. This will enhance the influence and credibility of the NAM. I have noted with satisfaction that the Movement is increasingly viewed by the international community as an unified organisation expressing the political voice of the developing world. For instance, we demonstrated our seriousness by taking an active role on important issues such as the Agenda for Peace, the establishment of the post of UN High Commissioner for Human Rights and the ongoing reform of the UN Security Council.

The NAM should continue to articulate the views of developing countries on issues such as human rights, trade restrictions and other forms of political con-

ditionalities. However, we should present our views in a rational, pragmatic, and forward-looking manner. This will ensure that our views are heard and taken into account. The more pragmatic we are, the more effective an interlocutor we will become *vis-à-vis* the developed countries.

One vital issue that both the NAM and G77 would have to address is the question of political conditionalities. We have to strongly resist attempts by many developed countries to use issues such as human rights, environment and labour reform to impose unilateral trade restrictions and other forms of political conditionalities against developing countries. We can expect such attempts to be revived once the World Trade Organisation (WTO) begins operations. Both NAM and G77 should be vigilant against such attempts to undermine the economic developmental efforts of developing countries.

The Joint Coordinating Committee (JCC) of the NAM and G77, to be set up in New York in June, should give priority attention to the issue of political conditionalities. This could be one of the first tasks of the JCC. The JCC should recommend to the NAM and G77 a strategy for developing countries to oppose the use of political conditionalities by developed countries.

The task for the NAM in the next few years is to create a political framework for cooperation among member states to enhance their potential for economic and political progress. The NAM members can try and learn from each other's success, whether it be political or economic. The more successful economically and politically NAM members are, the stronger NAM will become as a Movement.

Increased North-South Cooperation

The next priority for our Movement is to push for greater dialogue and cooperation with the developed countries. There is a disturbing trend towards closed regional blocs among many developed countries. As developing countries, we should continue to oppose protectionism and fight for regional economic organisations that are open and GATT-compatible. This is essential, not only to enhance cooperation between the developed and developing countries, but also between the developing countries themselves.

The NAM should be pro-active by fully participating in the building of the new international order. We should not concede this task to the developed countries. In this respect, the meeting between President Soeharto, the Chairman of our Movement, with the Chairman of the Group of 7 in Tokyo in July 1993 was a step in the right direction. We should explore other mechanisms to enhance such contacts. They will help to remove distrust and suspicions and lead to dialogue and substantive cooperation between North and South.

A New Form of South-South Cooperation

Finally, NAM should not only be a vehicle for North-South dialogue but also one for greater cooperation among the developing countries. Singapore is doing its part to support South-South cooperation. This has taken several forms. The first is through the Association of Southeast Asian Nations (ASEAN) economic cooperation; the ASEAN countries are in the process of establishing the ASEAN Free Trade Area (AFTA). The second is through sub-regional economic cooperation.

A successful example of this is the growth triangle embracing Singapore, the neighbouring state of Johor in southern Malaysia and the Riau Islands of Indonesia. Our new policy of regionalisation is yet another example. This policy supports South-South cooperation by promoting direct investments in developing countries such as India, Vietnam, China and Myanmar. It also enhances North-South cooperation in that developed countries participate in joint ventures with Singapore in order to assist other developing countries.

While South-South cooperation is important, it is equally important to focus on the developmental problems of the least developed countries and the developing countries of Africa. It is distressing that many developing countries continue to face tremendous economic and developmental problems. Unfortunately, the ethnic and regional conflicts around the world have diverted attention from the economic plight of the developing countries, particularly those in Africa. The NAM should work closely with the G77 and push for greater international support and technical assistance for developing countries, especially the least developed among them.

Singapore's Cooperation Programme

Singapore has begun, within its limited resources, to provide technical assistance to other developing countries. Under the Singapore Cooperation Programme, we have extended technical assistance to developing countries, in particular, in Africa, South Asia and the South Pacific. Given the urgent need of the developing countries to develop their human resources, Singapore's technical assistance is focused on this important aspect of development. We call on others in the Movement, within their capacities, to also extend assistance to developing countries within our Movement.

New Priorities for Old

The three priorities I have identified are important to the success and relevance of our Movement in the next decade. However, whether we will achieve them fully will depend more on us than on external factors. What we need is a revolution in attitudes, a realisation that the days of the Cold War are behind us. Those were the days when NAM members were courted by the great powers which needed our support for their objectives. Now we are no longer needed as pawns in their game. We must be self-reliant. We must learn to cooperate with one another and with the North, on the basis of equality and mutual benefit.

The NAM's continued relevance and success are in our hands. I hope the three priorities I have identified will be useful as we reposition our Movement for the next decade and a new century.

(11) *United Nations:*

- A. “UN Peacekeeping and the New World Disorder”: Keynote Speech by Prof S Jayakumar, Minister for Foreign Affairs and Minister for Law, at the “IPS-Unitar International Conference on UNTAC: Debriefing and Lessons” in Singapore on 2 August 1994 (Singapore Government Press Release No: 02/AUG, 09-1/94/08/02)

Far from seeing global peace and tranquility that many expected to follow the end of the Cold War, we have seen an upsurge in localized internal conflicts in various parts of the world. Everyday, the international print and television media bring to our attention reports of anarchy, death, misery, and destruction.

Faced with these challenges, the world has turned to two sources for leadership, organization and resources to address these problems. First, the major powers which have traditionally provided the means to address global problems. But today, these countries are themselves burdened by severe domestic economic, political and social problems. The political will to address problems with international consequences has been eroded, or lacks support from their public. Western governments, faced with these constraints, have become introspective. They are now more reluctant to engage themselves in international conflict resolution and management.

The second source is the United Nations (UN). But, the UN as an inter-governmental organization, can only reflect the collective political will and resolve of its member states, and on the resources that member states are prepared to allocate to the UN. The overall effectiveness of the UN depends on many factors such as the leadership and support of the Permanent Members; the Security Council's effectiveness in decision-making; the UN Secretary-General's (UNSG) leadership; and the availability of financial and material resources for UN developmental and peacekeeping functions.

Therefore, when we talk of UN peacekeeping there should be a clear link between the overall effectiveness of the UN, and effective UN peacekeeping. Improvements in UN peacekeeping cannot be separated from improvements in the overall effectiveness of the UN. This means strengthening UN financing as well as reforms to the UN Security Council and UN Secretariat. Moreover, faced with ever increasing UN peacekeeping bills, member states are asking whether there are limits to UN peacekeeping, and under what terms and conditions and criteria should UN peacekeeping operations be launched and terminated.

The UN is presently faced with weakening and inadequate financial, political and manpower resources for ever increasing UN peacekeeping operations. The sad and depressing example of the unprecedented tragedy in Rwanda illustrates this quandary. The UNSG and the Secretariat have attempted to cope with the difficult condition by launching various urgent appeals to member-states. They have also re-organized the Secretariat departments dealing with peacekeeping, making improvements in “command and control”, communications and monitoring, and political analytical functions. Thus, the UN Department of Peacekeeping Operations now monitors and controls all UN peacekeeping operations.

Despite all these constructive efforts, however, the UN peacekeeping situation is still in a critical state as a result of political and financial difficulties. Unpaid assessments totalled US\$2.1 billion as of 30 June 1994. A minimum of US\$200

million is needed every month to sustain the on-going peacekeeping operations.

In response to this critical state of UN peacekeeping, in his report "An Agenda For Peace", the UNSG suggested innovations such as peace enforcement and a UN Standby Force. Others have proposed a UN Standing Army composed of volunteers. While these ideas are interesting, the crux of the matter is:

- (a) Will the major players demonstrate sufficient political will to carry out UN peacekeeping operations especially where these have international repercussions?
- (b) Is there a need for the UN to assist states to govern themselves in such a way as to prevent internal conflicts from occurring?

The answers to these two questions will determine if there can be combined pro-active and preventive approaches by those who have the means and by those who may need assistance. The big and middle developed powers could provide the UN with commitments under the UN Standby Scheme to provide airlift, logistics and financial support so that UN Peacekeeping operations can be launched quickly. The second approach would require the UN to exercise quiet and discreet preventive diplomacy, to advise and assist those states identified to be in danger of impending collapse.

A third approach is to build a new support base of countries willing and ready to assist the UN in peacekeeping matters. In addition to the traditional big and middle powers such as the US, UK, Canada, Australia and the Nordic states which have made vital contributions in peacekeeping, a new group of active member states has emerged which are able to contribute their troops to UN peacekeeping operations. These include Spain, Uruguay, Malaysia, Indonesia, Turkey, Pakistan and South Korea. Small states like Singapore and Brunei have also chipped in with small contingents of civilian police in operations such as UNTAC and UNIKOM. In this way, the peacekeeping burdens are spread more widely.

These three approaches can help the UN in addressing the phenomenon of increasing internal conflicts and growing humanitarian disasters. These approaches are important because the UN must play the central role in upholding international law and world peace. Together with the restructuring of the UN Secretariat to provide better peacekeeping services, they offer the promise of restoring some stability to the post-Cold War era.

It would be remiss of me if I do not refer to the issues of sovereignty and consent. It is clear that "second generation" UN peacekeeping is very intrusive and upsets traditional concepts of sovereignty and independence of nation states. Is it then important for the success of a peacekeeping operation that UN involvement takes place only with the consent of the parties to a conflict? If the answer is yes, then how can the consent requirement apply in cases where there is no effective central government capable of ruling and providing the most basic functions of law and order? For example, in the new anarchic conditions, such as in Somalia and Rwanda, the UN does not know who will perform the "request and consent" function. In such a situation, who will invite the UN to rescue the people?

Conclusion

I have posed some questions which I hope may be of interest to you. Your conference, of course, is to discuss and analyze UNTAC and Cambodia. UNTAC operations in Cambodia may not be the same as other peacekeeping operations elsewhere. But your discussions and conclusions will be most timely and useful as the UN and the international community are still confronted with difficult decisions in UNPROFOR, UNOSOM, and elsewhere. You will need to ask the right questions, even if they are difficult ones, and to draw accurate lessons from UNTAC's complex and difficult operations.

- B. Comments by the Ministry of Foreign Affairs (MFA) Spokesman on the Statement made by Minister for Foreign Affairs and Law, Prof S Jayakumar, to the 49th Session of the United Nations General Assembly New York, 30 September 1994 (Singapore Government Press Release No: 01/OCT, 09-0/94/10/01)

In his address to the 49th United Nations General Assembly session in New York, Minister for Foreign Affairs and Law Prof S Jayakumar identified the changing nature of UN peacekeeping operations and the increasing cost of financing them as two of the most important issues facing the UN in the post-Cold War era. He called on member states to consider establishing guidelines for UN involvement in conflict situations and urged them to seriously address the financial crisis facing UN peacekeeping operations.

Minister Jayakumar told the General Assembly that the number of peacekeeping operations increased dramatically in a short period, from 13 in 1988 to 21 in 1994. Peacekeeping expenditures also rose significantly, from US\$350 million in 1986 to more than US\$3 billion in 1994. These changes were the result of increasing demands placed on the UN since the end of the Cold War and the rise in civil conflicts drawn along ethnic and religious lines. The situations in Bosnia, Somalia, Rwanda and the Caucasus provided examples of such conflicts.

Minister Jayakumar stated that intra-state conflicts posed new challenges for the UN. On the one hand, intra-state conflicts required new approaches to peacekeeping that could be intrusive. This could upset the traditional concepts of sovereignty and independence of nation states. The UN was therefore often criticised for meddling in the affairs of other states. On the other hand, the UN could not simply be a bystander when there are ethnic carnage and humanitarian disasters.

Minister Jayakumar urged the UN to consider establishing guidelines and criteria to decide when and where UN involvement was necessary and would be effective. The euphoria generated by the successful peacekeeping operations in Cambodia and Namibia have fuelled "unrealistic expectations" of the UN's ability to deal with intra-state conflicts. But subsequent operations have not been as successful, because of the complexity of such situations and also because of a lack of support and resources from member states. Minister Jayakumar therefore cautioned that the UN could not realistically be expected to resolve all forms of civil wars within national boundaries.

Minister Jayakumar stressed that the “persistent financial problems faced by the organisation have clearly to be overcome” if the UN is to take “new and complex leadership roles in international peace and security”. He stressed that member states could not allow a peacekeeping operation to fail, especially because of a lack of resources, once they have decided to launch it. He stated that the very credibility of the UN would be questioned if member states did not provide the requisite resources for UN peacekeeping operations.

Minister Jayakumar emphasised that the only solution to the financial crisis of the UN was that “member states must pay their assessments in full and on time”. He added that without such payments, the UN just could not function. However, many member states failed to honour their obligation to pay their dues in full and on time.

Minister Jayakumar made several proposals to encourage member states to make timely payments. He suggested that there could be a system of charging interest on late payments, with due consideration for the difficulties faced by the Least Developed Countries (LDCs). He also suggested that the 50th anniversary of the UN in 1995 be used as a target for all member states to pay up their outstanding contributions.

Minister Jayakumar emphasised that permanent members of the Security Council must continue to bear “special responsibilities” for the financing of peacekeeping operations. If a permanent member could not even meet the basic obligations of financial dues, how could it meet the heavy and serious responsibility of maintaining international peace and security, he asked. Permanent Members should in fact set an example for the rest of the UN membership in meeting their financial obligations.

In concluding his statement, Minister Jayakumar pledged that Singapore was fully committed to working together with the UN Secretary-General and the other member states to resolve the financial crisis of the UN. He stated that Singapore was ready to increase its contribution to UN peacekeeping expenses provided *firstly* that such an increase was the outcome of an overall reform of the peacekeeping scale and *secondly* that the problem of those in arrears was seriously addressed.

(12) ASEAN:

- A. “*Southeast Asia in the Nineties: The Maturing of ASEAN*”: Speech by Prof S Jayakumar, Minister for Foreign Affairs and Minister for Law, at the Asia Society Conference, Singapore, Session III (ASEAN: New Opportunities and Challenges) in Singapore, on 18 May 1994 (Singapore Government Press Release No: 18/MAY, 09-1/94/05/18)

There is a mood of confidence now prevailing in Southeast Asia today. The countries are at peace and their economic outlook is buoyant. Our good relations with the major powers have advanced our interests without compromising our sovereignty. The two halves of Southeast Asia (the ASEAN half and non-ASEAN half), who were once divided by the Cold War and its aftermath, have entered a new era of regional cooperation. The present trends point to economic growth and stability. Barring a catastrophe, Southeast Asia and the Asia-Pacific should remain the most economically vibrant region of the world into the next century.

Looking back, ASEAN has come a long way since the 1967 Bangkok Declaration. After almost three decades, ASEAN has matured. It has emerged as an anchor of stability in the Southeast Asian region and beyond. It has gained a credibility in the Asia-Pacific and on the global stage. The “dominoes” of the 1970s have become the “dynamos” of economic development in Asia.

What are the factors that enabled this organisation of nations with diverse peoples, religions, languages and different levels of economic development to evolve into the cohesive regional body which it is today? I would list these as the important factors:

Firstly, perception/foresight of founding fathers:

In the midst of regional uncertainty in the 60s, the founding fathers had a shared perception and foresight that there were mutual advantages in working together, notwithstanding their diversity.

Secondly, cooperation, dialogue versus confrontation:

The ASEAN countries opted for cooperation and dialogue, not confrontation, in dealing with internal problems, which has helped minimised conflict potential.

Thirdly, consensus:

ASEAN has adopted the consensus approach in tackling issues and problems.

Fourthly, personal links:

Personal links, not only among ASEAN leaders, but also among ASEAN officials, young people, politicians and businessmen, across a wide range of activities, has been an important factor in ASEAN’s success helping to promote understanding, and to open channels for communication when other channels may be closed.

Fifthly, ability to respond quickly:

ASEAN has been agile to respond quickly to the changes following the end of the Cold War; making strategic shifts to respond to the changing geo-strategic situation. It puts security explicitly on the ASEAN agenda, and moved to establish the ASEAN Regional Forum.

Sixthly, the Cambodian issue was a galvanising factor:

The Cambodian issue was an important turning point galvanising ASEAN. ASEAN, with a vital interest at stake, waged a diplomatic battle on the international circuit, especially in the UN, to prevent a *fait accompli* in Cambodia. ASEAN emerged as a more confident organisation from this process.

ASEAN countries’ main preoccupation has been, and will continue to be, the promotion of stability and economic development in the region. It is their pragmatic economic approach, coupled with their domestic political stability and the stable regional environment underpinned by the engagement of major powers, that have

helped ASEAN countries attain levels of economic growth averaging between six to ten per cent annually. The ASEAN countries are well-integrated in international trade and capital flows, and attract a high level of foreign direct investment.

The end of the Cold War has created a new global dynamic. A more complex pattern of cooperation and competition in a regionalised world is emerging to replace Cold War alliance systems.

We should be optimistic because this opens new opportunities for the region. It is possible that we may enter into a period of smooth transition. But we should also be cautious because it is equally possible that we may not.

Therefore, the most important challenge facing the Asia-Pacific in the 1990s is to manage change: How to ensure that the present situation continues while the global re-distribution of power evolves? This process will not always be smooth and comfortable, but it will determine whether present stability in Southeast Asia will continue. The bilateral relations of the countries in the region are adjusting with the end of the Cold War and in response to economic growth. Significantly, the economic development of the Asia-Pacific is a central element of the changes.

The regional strategic equation is still evolving. Countries in the region are exploring various means of managing the changes and containing the stresses and strains inherent in rapid growth and change. The triangular relationship between China, Japan and the United States is emerging as the central focus of Asia-Pacific international relations in the 1990s. This strategic and economic triangular relationship is complicated by sensitive questions of culture, values and history.

ASEAN considered that additional blocks to the regional security dimension are necessary. The Fourth ASEAN Summit in Singapore had in January 1992 decided to use existing mechanisms such as the ASEAN Post-Ministerial Conferences (ASEAN PMC) as a complementary means of enhancing regional dialogues on political and security matters.

ASEAN took two other important initiatives recently:

The ASEAN "Special" Senior Officials Meeting: While forums such as the AMM and the ASEAN PMC do discuss regional security issues, they have not involved participants from our defence and military establishments who make our defence policies. ASEAN has crossed a crucial threshold when it filled this vacuum by convening the ASEAN "Special" Senior Officials' Meetings (SOM) in 1992 and this year for foreign and defence ministry officials to discuss regional security issues.

The ASEAN Regional Forum: At the ASEAN Ministerial Meeting (AMM) in July 1993, ASEAN and its regional partners took a major step forward when they decided to establish the ASEAN Regional Forum (ARF). Meeting for the first time in Bangkok in July 1994, this unique diplomatic meeting will bring together in a single forum eighteen Foreign Ministers representing all the major actors in the Asia-Pacific region. The ARF is a bold initiative by ASEAN to organise relationships among key players in the Asia-Pacific.

ASEAN also faces economic challenges. The key challenges are two-fold: first, the protectionist sentiment sweeping the developed world, and second, the economic liberalisation of previously dormant Asian powers such as China, India and Vietnam.

On the first point, ASEAN has benefited from the liberal economic order which the developed countries had created in the post-Second World War era. The Newly Industrialising Economies (NIEs) of ASEAN were accorded privileged access to the developed markets through the Generalised System of Preferences (GSP) and through a liberal international trade system. However, in today's economic reality, the developed economies are struggling to cope with declining growth rates and rising unemployment and the mood is shifting from free trade to protectionism. Many politicians and opinion-makers have portrayed competition from Asian NIEs as "unfair". The demand for protectionist solutions is cloaked in deceptively respectable terms such as "fair trade" and "managed trade" and questionable linkages with the rights of workers.

ASEAN's response to this, first and foremost, must be to avoid any attempt to counter protectionism or the rise of new economies through the creation of its own closed trading bloc. That will be a short-term, knee-jerk reaction to the economic challenges which would be detrimental to ASEAN's own interests. ASEAN members have benefited tremendously by trading actively with their developed and developing counterparts. ASEAN is still a small player in the world economy. The new challenges, coupled with the formation of the North American Free Trade Agreement (NAFTA) and the European Union (EU), must make us strive to remain open and competitive and not lapse into protectionism.

On the second point, a major challenge facing ASEAN is the liberalisation of major Asian economies such as China, Vietnam and India. While we welcome the positive steps being taken in these countries, we cannot ignore the fact that their development would have implications for ASEAN. One example is the diversion of investments away from ASEAN. As China's and Vietnam's foreign investment level continues to rise, there has been a corresponding decline in the rate of foreign investment into ASEAN countries. Similarly with a middle class exceeding 100 million, India possesses the talent and know-how to transform itself into a major economic power in the long-term.

To respond to this, ASEAN must press ahead with the substance of economic cooperation. To remain competitive, ASEAN economies should not be afraid of restructuring or upgrading their industries. At the same time, the ASEAN countries must integrate their economies where possible. It is encouraging to note that ASEAN has recognised the importance of fostering greater intra-ASEAN cooperation. This has been the basis of the decision to create an ASEAN Free Trade Area (AFTA), which serves to strengthen ASEAN's leverage in the world trade system by working together as a group. Besides AFTA, the ASEAN Summit in January 1992 also endorsed the promotion of sub-regional economic cooperation in the region. This is heading in a positive direction; the Southern Growth Triangle has created an economic area that is attractive to foreign investors, and has substantially increased trade among its three partners. The success of the Southern Growth Triangle has inspired other regional economic arrangements such as the Northern Growth Triangle and the East ASEAN Growth Area (EAGA).

Beyond ASEAN, we recognise the importance in remaining connected, through a variety of linkages, with all major economic groupings. ASEAN does not fight shy of being part of a wider fora which act as the building blocks of complementary economic linkages with the rest of the world. These multiple forums can draw on different sources of strength. In this connection, ASEAN could play an active role in the Asia-Pacific Economic Cooperation (APEC), which provides a useful mechanism to foster multilateral cooperation among the dynamic economies of the Asia-Pacific region. ASEAN could also explore other avenues of regional cooperation within the APEC framework. These could include, for example, linkages between ASEAN and other regional bodies such as the North American Free Trade Area (NAFTA).

... ASEAN has neither a tried and tested formula nor a grand design for a regional security or economic framework. However, ASEAN has recognised that a predictable pattern of relationships within the region is a vital pre-requisite to manage the strains and tensions that come with rapid growth and change. ASEAN's challenge would be to help strengthen the process to attain their pre-requisite. The ARF would overlap with economic arrangements and processes such as AFTA and APEC, thereby maximising the potential for regional cooperation in a host of areas while minimising the scope for conflict.

There will be even greater challenges facing ASEAN in the coming decade when ASEAN's membership is expanded to seven or eventually 10 members. This is therefore no time for ASEAN to rest on its laurels. To remain credible in an ever-changing world, ASEAN's focus should be first, in expanding intra-ASEAN and Asia-Pacific economic cooperation so as to attract foreign trade and investment, and second, in promoting a stable regional environment by building a network of constructive relationships with the major regional players. It is only through a proactive role in these areas that ASEAN would be able to transform the challenges of the coming years into new opportunities and remain at the core of a thriving Asia-Pacific region. I believe that ASEAN is up to the challenge.

B. *“ASEAN's New Agenda”*: Speech by Prof S Jayakumar, Minister for Foreign Affairs and Minister for Law, at the ASEAN-ISIS Colloquium on “New Directions for ASEAN” in Singapore on 13 September 1994 (Singapore Government Press Release No: 19/SEP, 09-1/94/09/13)

... When ASEAN was launched twenty seven years ago, it was originally conceived as a regional organisation for economic, social and cultural cooperation. Today, in 1994, it enters a new phase and is developing new roles. It is expanding in size and its vision is outward-looking. Our concerns are no longer confined to the economies and societies of six Southeast Asian countries but expanding to cover the security and prosperity of both Southeast Asia and the larger Asian-Pacific region. The 27th ASEAN Ministerial Meeting was a landmark event in this regard. For the first time Foreign Ministers of all the ten Southeast Asian countries attended. The ASEAN Regional Forum (ARF) was launched. One can say that ASEAN has matured as an organisation.

ASEAN faced a major challenge during the Cambodian crisis. ASEAN was more than able to rise to that challenge and succeeded in its quest to liberate it from foreign occupation and re-establish an independent sovereign government. ASEAN

must now gear itself to meet the challenges presented by a new world order. ASEAN's new phase of development will be marked by four features:

First, the horizons of ASEAN are expanding. All ASEAN economies belong to the Asia-Pacific Economic Conference (APEC) which embraces 18 economies in the Asia-Pacific, the most economically buoyant region in the world. Governments realise that conflicts must be prevented if the region is to continue to prosper. There must be amicable cooperation for mutual benefit. In this regard, it is significant that Singapore and Malaysia have agreed to refer their disagreement on ownership of Pedra Branca to the International Court of Justice. It demonstrates the determination of both Governments that such a problem should not affect the overall and good relations between the two countries. From news reports, Malaysia and Indonesia are also discussing the mode of resolving their territorial dispute. While they may not have settled on the precise mechanism, what is important is that they too are committed to peaceful resolution of their dispute. The ability of these 18 economies to work together to promote trade and investment in the Asia-Pacific will affect the tone and tenor of the international economy for generations to come. ASEAN has signalled its willingness to be an active part of this larger gathering for the benefit of the Asia-Pacific economy.

Second, the inauguration of the ASEAN Regional Forum (ARF). The atmosphere of economic cooperation provides the most appropriate setting for the prevention of conflicts. The ARF is a unique forum. Not in recent history has such an organisation for the promotion of peace and security been conceived in peace. International relations in the post Cold War world remain fluid and uncertain. ASEAN has taken upon itself to help manage the fluidity and uncertainty so as to build an orderly environment for economic growth. No other group of developing countries can match ASEAN's audacity in trying to help manage the affairs of larger powers in a larger region.

The *third* feature of ASEAN's new development is its expanding membership. For the second time in ASEAN's recent history, we are about to admit a new member – Vietnam. Vietnam's forthcoming membership will go a long way to building the Southeast Asian community that was envisaged in the Bangkok Declaration.

Finally, the endorsement of the Treaty of Amity and Cooperation in Southeast Asia by the ARF member countries as principles to be observed by countries in their relations to each other. The Treaty contains the essence of the ASEAN vision for a world committed to peace and growth.

These four features represent new directions and challenges for ASEAN. The question is whether ASEAN will be able to manage this pivotal moment. As six countries in APEC and as the driving force in the ARF, the ASEAN countries are in a position to define the shape of these organisations. Our vision of a united Southeast Asia could well translate into reality. Our success will depend on how visionary, how courageous and yet, at the same time, how practical, we are....

- C. Opening Statement by Prof S Jayakumar, Minister for Foreign Affairs of the Republic of Singapore, 11th ASEAN-EU Ministerial Meeting, Karlsruhe, Germany, 23 September 1994 (Singapore Government Press Release No: 27/SEP, 09-1/94/09/23)

... Intrinsic Value of ASEAN-EU Cooperation

Informal ASEAN-EU contacts first started in 1972. Since then, the Dialogue has become increasingly institutionalised. We meet annually at the ASEAN Post-Ministerial Conferences (PMCs). The ASEAN-EU Ministerial Meetings, like today's, are held every two years. Our senior officials also meet regularly in the Joint Consultative Committee. At our last meeting in Manila in 1992, we agreed that there should be a regular meeting among our senior officials to discuss political and security issues.

But developing a process of cooperation between the two organisations has not always been easy. To sustain our dialogue over the long term, we should address squarely some differences we have to overcome. Firstly, it is a manifestly unequal relationship. Latest World Bank figures showed that the combined Gross National Product (GNP) of EU countries in 1991 stood at US\$6,399 billion, ASEAN's at US\$334.3 billion. One group includes developed nations, the other developing. Secondly, we have to bear in mind the legacy of colonial rule. Thirdly, we adopt different approaches to regional cooperation: the EU through formal and detailed legal arrangements; ASEAN through a loose, informal consultative and consensual approach. Our "corporate cultures" are different. But both may be equally valid for our different respective environments. Fourthly, since the end of the Cold War, Europe has tried to export some of its values. We may accept many of these but not all. We must both learn to respect diversity. Finally, many of our interests overlap. But it would be unrealistic and unwise to assume that all will.

Despite these differences, both the EU and ASEAN represent two successful models of regional cooperation. There is no need for either one to emulate the other. But there is great potential for synergy if we can successfully cooperate. ASEAN is modest enough to acknowledge that on its own it may not be of great interest to the EU. However, ASEAN represents a gateway to the successful Asia-Pacific region. We welcome the EU to use this gateway.

Regional Developments

Significant developments are taking place in both the EU and ASEAN. When the cooperation framework was established in 1980, the EU had nine members. Today, there are twelve EU member states. Next year, it will have sixteen member states and is gearing towards even further enlargement. The Single European Market is in place. In addition, the European Economic Area (EEA) was realised in January this year. The merger of the EU and the EFTA countries into the EEA has created the world's largest free trade area. New economic linkages are currently being built between the EEA and Central and Eastern Europe. The prospects for Europe are as exciting as they are challenging.

In ASEAN and its surrounding region, developments have been taking place just as rapidly and dramatically. After sustaining an average six per cent Gross

Domestic Product (GDP) growth for two decades, ASEAN decided in 1992 to establish an ASEAN Free Trade Area (or AFTA). This will be achieved by lowering tariffs and removing non-tariff barriers. I am happy to report that we are making good progress. Significantly, ASEAN has agreed to bring forward AFTA's target date and to expand its coverage.

East Asia will remain economically the most dynamic region in the world for the next 20-30 years. Between 1982 and 1992, East Asia's average annual GDP growth rate was 4.7 per cent while comparable figures for North America were 2.7 per cent and Europe, 2.4 per cent. The combined GDP of East Asian countries which amounted to only four per cent of the world Gross National Product (GNP) in 1960, accounted for more than 25 per cent of the world GNP in 1992 and is expected to reach 33 per cent by the year 2010. In the World Bank's purchasing power parity terms, East Asia's GDP is already larger than that of either the EU or the US, and will exceed the combined GDP of the EU and the US in the year 2005.

ASEAN is a major part of this economic dynamism in Asia. ASEAN investments have flowed into neighbouring countries such as Cambodia, China, India, Laos, Myanmar and Vietnam. Intra-regional trade now forms 43 per cent of East Asia's total trade. Fuelled by rapid regional growth, inter-regional investment flows and rising domestic demands, intra-Asia economic linkages are expected to be strengthened.

ASEAN's cohesion has also been a vital catalyst for regional cooperation and integration in the Asia-Pacific. ASEAN's success as a regional grouping has prompted diverse Asia-Pacific countries to work together to increase trade and investment flows. In November this year, Indonesia will host the sixth annual Ministerial Meeting of the Asia-Pacific Economic Cooperation (APEC) forum. The leaders of the APEC member countries will also meet in Indonesia to discuss how to further liberalise trade in the Asia-Pacific.

ASEAN has been active in promoting regional stability. In July this year, ASEAN held the first ASEAN Regional Forum (ARF) in Bangkok. This meeting brought together all key players in the Asia-Pacific. The EU was also represented. ASEAN countries hope that the ARF will become an effective consultative forum for political and security cooperation in the Asia-Pacific. The ARF is ASEAN's contribution to managing change in this post-Cold War world.

A New Chapter in ASEAN-EU Relations

ASEAN-EU relations have not and cannot remain unaffected by these developments. Although concerns over the economic impact of the Single European Market remain, ASEAN has chosen to view positively European integration and enlargement. For ASEAN, an enlarged and open Europe will provide an impetus for more trade and investment flows between the two regions. It is in our mutual interest to develop the tremendous potential of these developments in our two regions.

Within the EU, there are those who view Asia as a threat and are calling for more defensive policies to shut out Asian competition. Trade measures are no longer deemed adequate to deal with Asian competition. To guard against what has been popularly termed as "social dumping" from Asia, attempts are being made to write

in social and labour clauses into trade agreements.

Asia has enough know-how, technology and capital to sustain its economic growth. The EU can contribute and benefit from this dynamism. There are many in the EU who have calculated that increased growth in Asia will mean greater demand for Western goods and technology. This in turn will create more new jobs in Europe. Take just one specific example. The infrastructure needs of East Asia for the next ten years have been estimated at US\$1 trillion.

I commend the European Commission for its initiative to draw up a new policy for Asia. The underlying message in the Commission's Asia Strategy is that the key to restoring the EU's global competitiveness is to increase its presence in Asia. The Commission has sounded a few alarm bells. It warned that the EU's share of foreign direct investment in Asia has declined steeply. Between 1986 and 1992, the EU contributed to only 10 per cent of the volume of foreign direct investment in Asia. While the EU's share has been falling, direct investments from Japan and the US have flowed steadily into Asia. Since 1991, the Asian NIEs have become major investors as well. The EU should not forfeit the opportunities created by Asia's growth. It must act now to restore its position as a key economic player. The EU has much catching up to do.

The profound changes in the world and in our two regions necessitate a rethink on the ASEAN-EU relationship. We can build a partnership based on a new *raison d'être*. ASEAN can help the EU increase its economic and political profile in East Asia. The Commission sees ASEAN as a "cornerstone" of the EU's policy on Asia. It is an apt description. We should use our established linkages to facilitate the EU's thrust into Asia.

Six of ASEAN's seven dialogue partners are from the Asia-Pacific and are members of APEC. Although the EU is geographically outside APEC, it already has a window to APEC by virtue of its participation at the annual ASEAN PMCs. Similarly, as a participant in the ARF, the EU has an opportunity to play a role in shaping the political and security developments in the Asia-Pacific.

A Dialogue of Equal Partners

It is time for the ASEAN-EU dialogue to move forward as a partnership of equals. Both the EU and ASEAN want this. There have been hiccups in our previous meetings because of different objectives. Henceforth, we should aim to build a new partnership to promote mutual interests and to contribute positively to the larger interests of Europe and Asia. ASEAN looks forward to a new chapter in its relations with the EU and we hope that this chapter will be written here in Karlsruhe.