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Hotel Niiko Kuala Lumpur

Plenary Session Six : ASEAN + 3, East Asia Summit and APEC :
Ensuring Productive Synergy
Remarks By
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The topic before us is ASEAN + 3 (APT), East Asia Summit (EAS) and APEC: Ensuring Productive Synergy.

I would like to discuss the topic by looking at it from the following perspectives:

Firstly, why should we limit ourselves to just the three possesses alone when we talk of ensuring productive synergy. Is it based on some practical logic or on some noble objective?

I believe the very idea of confining ourselves to the three is making it somewhat restrictive. We should instead look at the broader picture and take a more comprehensive approach. And this is in fact a great challenge for ASEAN in particular, as we consider how best to cope and effectively deal with the proliferation of various sub regional and regional groupings whilst ensuring the very synergy that is the topic of our discussion today.

From ASEAN's perspective, I would submit that a more comprehensive approach to ensure productive synergy by including other sub-regional groupings and the relatively larger regional ones like the ARF, FEALAC, ACD and AMED would do justice to the commitment of member states to such groupings. In any case, given the issues included in the Agenda of such groupings, our interests would be better served if we could ensure the development of productive synergy involving all of them. This is no doubt a huge task which require our deep consideration.

Secondly, even if we were to agree to confine our efforts just to the APT, the EAS and APEC, there is as yet no specific intergovernmental mechanism to 'ensure' that productive synergy can be developed for the benefit of all member states. Having an APT and an EAS unit within the ASEAN Secretariat alone is not enough. It is somewhat unrealistic to leave it to the private sector or to the Track II mechanism. It is also unrealistic to allow the synergy to develop on its own without proper governmental direction.

The idea of developing such 'productive synergy' involving the 3 processes would actually require a clear policy decision on the part of member States involved. It is unlikely that consensus could be easily achieved on the establishment of a specific mechanism to allow for the attainment of such an objective. A likely scenario would be for more questions to be raised by member States and the issue can be most contentious if the entire concept is misinterpreted or not clearly understood.

I would venture to suggest that even to discuss the issue of ensuring productive synergy would require us to convene a mega Summit involving members of all the three processes.

Thirdly, given the different objectives, priorities and resources available for the establishment of the three distinct and separate processes, any productive synergy envisaged would itself require a complicated process of adjustment, accommodation and compromise.

Let us remind ourselves that the APT was intended to be the main vehicle to realize an East Asian community, even though with a small 'c' for the time being. The EAS was intended to be a forum for dialogue on broad strategic, political and economic issues. It is also intended to be Leaders' led. On the other hand, APEC, which began much earlier in 1989 as an informal Ministerial Level dialogue group was intended to be a loose consultative non-binding forum to focus on trade and investment liberalization, business facilitation and economic and technical cooperation. It was only lately that APEC has begun to encroach into security issues such as disarmament, terrorism, anti corruption and disasters under the guise of trade security, much to the concern of some member states.

The point I would like to make here is that all the three processes have a life and momentum of their own designed to serve the interests of their respective members. But can dilution of the objective of one or the other process be avoided in our efforts to develop the proposed "productive synergy"? This could be a major issue to some member states.

Fourthly, whilst membership within the APT is not expected to change or that the APT may not become an ASEAN + 4, membership within the EAS is subjected to change over the years. Russia for one, would eventually be able to fully satisfy the three criterias for admission, namely accession to the TAC, full Dialogue partnership and substantial relations with ASEAN, to become a member of the EAS. The US too may one day decide to take a fresh look at the EAS, as originally conceived in 2005, to consider becoming a member so as to enable it to fully participate in its deliberations instead of being marginalised. In this regard I read with interest Dr. Hadi Soesastro's paper on Bergsten's argument that one key element of an effective US strategy towards Asian integration is to insist that East Asian agreements be embedded in broader Asia

Pacific arrangements. I believe that it would be better for the US to be part of the East Asian integration process than to appoint its own "spokesman" in an East Asia forum to try, as it were, "to tilt the Asian integration movement in directions that would be more compatible with US interests".

I want to stress here that Malaysia welcomes the two powers to join the EAS in the interest of making it more inclusive and outward looking.

Membership within APEC too could be expected to increase with the interest shown by India, Cambodia, Laos, Pakistan, Sri Lanka, Mongolia, Panama, Ecuador, Macau, Colombia, Costa Rica and Guatemala. Malaysia on its part supports the request made by these countries especially Laos, Cambodia and Costa Rica that are willing to commit to APEC's stated goal. A number of APEC member economies in particular the US, New Zealand, Japan and Australia were reluctant to admit new members on the ground that an expanded membership would make APEC's liberalization goals more difficult to achieve. They argued quite persuasively that admitting more members would inadvertently inhibit deepening of economic integration amongst existing member economies. Strangely, a similar line of reasoning advanced by Malaysia at one time in respect of confining membership of the originally conceived EAEC to ASEAN + 3 was not well appreciated by these very countries.

I believe that any increase in membership of the EAS and APEC will bring about a qualitative change to the pace and long term direction of the two processes and to the productive synergy that could be developed. One question that we could ask perhaps is to what extent the gains made by the new members would not be detrimental to the interest of the older members.

Bearing in mind all the above, I now come to my **fifth and last point**. If the idea of ensuring productive synergy of the three processes is to promote community development larger than the ASEAN Community, the ASEAN + 3 process should remain at the core. This is not only logical but also practical. The APT process has been a success with significant progress achieved in the implementation of its short Term, Medium Term and Long Term measures. Within 10 years, it has established 48 mechanisms covering 16 sectors. Using the Malaysian Prime Minister's own words, work is indeed in progress within the APT. Four new sectors were added recently namely, women affairs, rural development and poverty alleviation, disaster management and minerals. Phase II of the Feasibility Study on East Asia Free Trade Area (ASEAN + 3) has already begun. A Second Joint Statement on East Asia Cooperation and ASEAN + 3 Cooperation Work Plan (2007 – 2017) is also being prepared for adoption at the forthcoming 11th ASEAN Summit in November 2007 in Singapore in conjunction with the 10th Anniversary of ASEAN + 3 Cooperation. The Statement would serve as a policy guideline for future APT cooperation. It is also aimed at fortifying the ASEAN + 3 process to reflect a deeper commitment towards the establishment of an East Asian community in accordance with the 2005 KL

Declaration of the APT Summit. Hopefully the APT would do away with an ASEAN + 1 approach in the implementation of its future Work Plan.

The EAS should continue to focus on the five priority issues identified by the Leaders namely energy, finance, education, avian flu and natural disaster with the necessary follow-up action at the Ministerial and Senior Officials level. APEC on the other hand should focus its resources in undertaking more meaningful projects and programmes in line with its original objectives ie. to remain as a loose consultative forum for capacity building and economic cooperation activities.

Ultimately, any effort at developing productive synergy would involve some form of duplication or overlapping of the 3 processes. This is inevitable or unavoidable. But the bottom line is that such efforts should serve to complement rather than to cause a conflict of interest involving the member States concerned.

Thank you.

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