

Annex A

Remarks by Amb. Zhang Xiaokang at the Preparatory Meeting for 12th ASEM SOMTI

18 January, Beijing

Dear Colleagues,

It gives me great pleasure to welcome you all to Beijing. My special thanks go to Ambassador Orgil from Mongolia and Mr. PARK Chul-min from Korea. Thank you for co-sponsoring this meeting.

We also have colleagues from Lao PDR, Myanmar, New Zealand, EU and Netherlands. I am pleased to see a good mix of officials from Asia and Europe, and most importantly officials both in charge of foreign affairs and in charge of economic affairs. A big welcome to you all.

I would also like to thank my co-chair Mr. Sun Yuanjiang, China's ASEM Senior Official on Trade and Investment as well as his team at MOFCOM for organizing today's event.

Colleagues,

We are gathering at the beginning of an important year - the 20th anniversary of ASEM. The Ulaanbaatar Summit in July offers a historic opportunity for all ASEM members to review, reflect, and more importantly to redouble our joint efforts to advance the new comprehensive partnership between Asia and Europe. It is also an occasion for change - change from an ASEM of words into an ASEM of actions.

Today's meeting is the preparatory meeting for 12th ASEM SOMTI. Mr. Sun asked me to explain to colleagues the rationale for relaunching the SOMTI. He told me that some institutional memory was lost after a suspension of SOMTI for one decade. I agreed.

Let me first draw your attention to the outcome document of the first Asia-Europe Meeting. When our leaders first met in 1996, they identified three pillars for ASEM cooperation which I believe all of you are familiar with. On the economic front, leaders “recognized the great potential for synergy between Asia and Europe on account of the economic dynamism and diversity of the two regions” and declared that “the growing economic links between the two regions form the basis for a strong partnership between Asia and Europe.”

We had many successful stories in the early days of ASEM economic cooperation. We had useful policy exchanges through SOMTI and Economic Ministers Meeting. We expressed our joint opinions on a number of issues concerning global trade and investment. We had a lot of concrete cooperation on the ground guided by the Investment Promotion Action Plan and Trade Facilitation Action Plan. During the turbulent times of the Asian Financial Crisis, a trust fund was jointly established which was proved to be a very useful initiative to assist the Asian Members getting back on their feet.

We all know what happened unfortunately 10 years ago. Looking back, one can not help but feel regretful for the absence of the economic pillar from ASEM for such a long period of time when a whole lot of opportunities were lost. There were repeated calls for the revitalization of this pillar.

Earlier last year, I had an opportunity to have an exchange of views on ASEM with Mr. Goh Chok Tong, the former Prime Minister of Singapore and the founding father of ASEM. We talked about the many changes that have indeed taken place in Asia and Europe in the past two decades. But, we both agreed that the need to foster a stronger link today remains unchanged and grows even stronger than ever.

Also last year, I met with a number of business representatives on two occasions. One is the ASEM Industry Dialogue on Connectivity in China in May, and the other is the ASEM at 20 Seminar in Brussels in September which Ambassador Orgil and Peter also attended. One of the striking messages from these dialogues is the huge potential the business community has underlined in deepening economic cooperation between Asia and Europe and more importantly, the role that it strongly urges ASEM to play in order to realize that huge potential beneficial to the development of both Asia and Europe.

This is a message that we government officials can not ignore, and should not ignore. On this important occasion of the 20th anniversary, we have to respond by taking firm actions. We should not let our stakeholders down again. I am happy that we are finally gathering here today, paving the way for the formal relaunching of the SOMTI process later this year.

Let me touch upon the issue of ASEM visibility briefly. For years, lack of visibility has been plaguing ASEM. In my view, one of the important reasons is the lack of concrete cooperation that people can enjoy the practical benefits from and resonate to. You don't have to be creative to make ASEM more visible. Should we announce the relaunching of SOMTI or the Economic Ministers Meeting at the upcoming Summit in Ulaanbaatar, it will certainly become a headline story which will help to enhance the visibility of ASEM.

Colleagues,

I understand that some members may still have questions regarding the proper and effective way of relaunching the economic pillar. One of the questions that were frequently asked was "What are the issues SOMTI should discuss?" In other word, how should the relaunched ASEM SOMTI have its comparative advantage and avoid duplicating the work of other fora?

When I look at the agenda prepared by my colleagues from MOFCOM, I think we may have some clues. Obviously we have a lot to discuss as the topics listed are all relevant and ASEM has a role to play. Updating the two Action Plans is a great topic to start with. Fostering connectivity in trade perspective is also very stimulating especially given that all members have agreed to mainstream Connectivity into ASEM and concrete steps need to be followed up .

Let me say this. The expectation on us is high, we have to be ambitious.

Meanwhile, we need to be practical. A grand vision is to be underpinned by a step by step approach. In the beginning, the relaunched economic agenda must be focused, with tangible cooperation and early harvest programs as the priorities.

We need to be smart too. On the Eurasia continent and the global level, there are many multilateral fora and mechanisms for economic cooperation. ASEM has to be

complementary with others and avoid duplication and conflict.

With this, let me wish our meeting today a great success and all of you a pleasant stay in Beijing.

Thank you for your attention.