

INDIA-ASEAN BUSINESS FAIR AND BUSINESS CONCLAVE
2nd March 2011, New Delhi

Special Address by H.E. Sundram Pushpanathan, Deputy Secretary General of ASEAN for ASEAN Economic Community

H.E. Shri Anand Sharma, Minister of Commerce and Industry of India

H.E. Dato Sri Mustapa Mohamed, Minister of International Trade & Industry, Malaysia

Excellencies the ASEAN Economic Ministers

Honourable Mr. Harsh C. Mariwala, President, Federation of Indian Chambers of Commerce and Industry (FICCI)

Honourable Dr. Amit Mitra, Secretary General, FICCI

Distinguished Participants

Ladies and Gentlemen

Good morning!

It is a great honour and pleasure for me, on behalf of H.E. Dr. Surin Pitsuwan, Secretary-General of ASEAN to participate in this important inaugural session of the India-ASEAN Business Fair and the Business Conclave. Let me, at the outset, congratulate the organisers, FICCI and the Ministry of Commerce and Industry of India for making this event possible at a time when ASEAN and India is experiencing steady economic growth despite the global economic situation as well as robust trade spurred by the ASEAN-India Trade in Goods Agreement that came into force last year.

The India-ASEAN Business Fair and Business Conclave today represent another milestone in the history of ASEAN-India dialogue relations that began in December 1995. The two events are the brainchild of H.E. Dr. Manmohan Singh, the Prime Minister of India, at the 7th ASEAN-India Summit in October 2009. I am happy to note that the proposals have materialised so speedily underscoring the resolve of both sides to leverage on the economic strengths of each other and together on the economic opportunities from rising Asia.

The events will certainly serve as a platform to bring the business leaders, practitioners and enterprises from all 10 ASEAN Member States and India together for knowledge and experience sharing, business networking and enterprise development across sectors and industries of mutual interest.

In essence, the government-to-government cooperation that we started through the ASEAN-India Trade in Goods Agreement under the ASEAN-India Free Trade Agreement is now transforming into business-to-business cooperation through the two events. Certainly, the high level of participation of ministers and business leaders, and the overall enthusiasm shown in today's fair augurs well for the future of ASEAN-India economic relations especially with the establishment of the ASEAN-India Business Council, which should also promote greater business-to-government cooperation so that we can improve the climate for trade and investment under the ASEAN-India Free Trade Arrangement for our businesses.

Open ASEAN Economic Community in the Making

Let me take this opportunity to briefly update you on the key progress achieved in building the ASEAN Economic Community (AEC) that will be established in the year 2015. Since the adoption of the AEC Blueprint in November 2007, ASEAN has been making steady progress towards the realisation of the AEC.

Indeed, January 2010 is seen as a key milestone in the history of ASEAN as we realised the ASEAN Free Trade Area where the ASEAN-6 countries of Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand collectively have achieved almost a zero tariff regime as well as all our free trade agreements with China, Japan, South Korea, Australia and New Zealand and the ASEAN-India Trade in Goods Agreement have been realised. We are also making good progress in the liberalisation of trade in services within ASEAN as well as opening up our region for investments through the ASEAN Comprehensive Investment Agreement. Moreover, we are promoting movement of skilled labour through mutual recognition arrangements of skills and professions as well as freer flow of capital through the development of our capital markets.

We have started to focus on the second pillar of the AEC on developing a competitive economic region through greater cooperation in the critical areas of competition policy, intellectual property rights, and consumer protection. At the same time, we are strengthening our cooperation in the third pillar of the AEC on narrowing the development gap by assisting our lesser developed ASEAN countries to come fully onboard economic integration while supporting our small and medium enterprises to grow and eventually venture across borders in ASEAN. The work ahead is challenging but ASEAN has shown it is ready and has the grit to make things work for the region, our partners and businesses.

We welcome and encourage the active participation of our Dialogue Partners, including India, to participate in our growth and benefit from it as ASEAN's approach to integration is premised on the philosophy of "prosper thy neighbour".

Advancing ASEAN-India Relationship

It is, indeed, important for me today to underline the growing and advancing ASEAN-India dialogue relations over the last 15 years. ASEAN's outward-looking policy in its community building endeavours and India's 'Look East Policy', adopted in 1991, has worked well for the blossoming of our mutual beneficial partnership. ASEAN is actively involved in building and managing the regional architecture in East Asia while India has increasingly anchored itself to the region by participating in ASEAN processes, including the East Asia Summit (EAS) as well as Asia-Europe Meeting.

I am pleased to note that, despite the continued impact of the global economic crisis, India remained the 7th largest trading partner of ASEAN, with total trade of US\$ 39.1 billion in 2009. It is equally important to note that ASEAN is India's fourth largest trade partner after the European Union, the United States and China. On foreign direct investment, India has remained the 6th largest investor in ASEAN, with investment valued at US\$ 970 million in 2009. FDI inflows from India accounted for 2.5% of total FDI into the region. Cumulative FDI from India in ASEAN from 2000 to 2009 was about US\$ 3.67 billion.

Interestingly too, between the period 1993 and 2008, ASEAN-India bilateral trade grew at an impressive annual rate of 18.3%, from US\$ 2.9 billion to US\$47.46 billion. Meanwhile the Leaders, at the 7th ASEAN-India Summit, reaffirmed their commitment to achieve a bilateral trade target of US\$70 billion by 2012.

Certainly, the ASEAN-India Free Trade Area will be the cornerstone of our growing and prospering economic partnership. Once fully implemented, after we conclude our services and investment agreements, it will pave the way for the creation of one of the world's largest free trade areas with a market of almost 1.8 billion people and a combined GDP of US\$ 2.8 trillion.

The ASEAN-India Trade in Goods Agreement, in particular, will see tariff liberalisation over 90% of products traded, including the so-called "special products," such as palm oil (crude and refined), coffee, black tea and pepper. It will open the way for over 4,000 items to be traded duty-free between ASEAN Member States and India. The services and investment agreements will provide greater market access for Indian professionals, services providers as well as investors to the ASEAN region and vice-versa.

Beyond our bilateral free trade area, ASEAN and India are exploring an East-Asia-wide trade arrangement together with the other countries under the East Asia Summit. This will create the world's largest economic space for our businesses to operate and prosper.

With the strengthening relations between ASEAN and India, it is an opportune time for both sides to enhance connectivity at every level.

ASEAN has just launched its Master Plan on ASEAN Connectivity covering physical, institutional and people-to-people connectivity both within ASEAN and ASEAN with its partners. India can actively participate in this connectivity to reap mutual benefits.

This would include further strengthening infrastructure connectivity between India and ASEAN through the Mekong countries; concluding speedily the ASEAN-India Air Transport Agreement; and advancing further India's cooperation with ASEAN in the areas of education, energy, agriculture and forestry, science and technology, information communication technology, tourism, small and medium enterprises, and others. We welcome, with deepest appreciation, the immense contributions already made by India to ASEAN's development, especially the lesser developed countries of ASEAN in some of the areas I have outlined.

Conclusion

In closing, I wish to underscore that ASEAN and India have developed a strong foundation for cooperation and collaboration in the last 15 years. It is time that that our business communities build their networking and partnerships leveraging on this firm foundation and their inherent strengths, so as to take leadership in driving the economic dynamism between the two growth poles in East Asia. We need to alleviate the business dimension of our cooperation to a higher level and we should start now with this India-ASEAN Business Fair and Business Conclave.

On that positive note, I wish the organisers and participants a successful India-ASEAN Business Fair and Business Conclave.

Thank you.