Remarks
by
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at
The 10th Anniversary of the ASEAN-Republic of Korea FTA
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Excellencies
Joo Hyunghwan, Minister of Trade, Industry and Energy
Jang Bungwan, Chairman of the Committee of Trade, Industry, and Energy of Korea National Assembly
Park Won Soon, Mayor of Seoul
ASEAN Ambassadors to Republic of Korea
Distinguished Guests
Ladies and Gentlemen

ann yeong ha seyo

On the outset, I would like to take this opportunity to thank the Government of the Republic of Korea for the warm hospitality and excellent arrangements made for the commemoration of the 10th Anniversary of ASEAN-Korea Free Trade Area (AKFTA).

This marks a significant milestone in ASEAN-Korea relationship, a forward-looking partnership, which embraced the uniqueness and potentials of each other as well as the cultural richness and diversity of our peoples. It also coincides with the 50th anniversary of ASEAN which makes 2017 an auspicious year.

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Since its establishment in 1967, ASEAN has continued to develop its external relations through mutually-beneficial dialogue, cooperation and partnerships with third countries including Korea.
Following the commencement of dialogue partnership in 1989, the ASEAN-Korea partnership has grown from strength to strength. With the signing of the Framework Agreement on Comprehensive Economic Cooperation in 2005, it has paved the way for ASEAN and Korea to establish ASEAN-Korea Free Trade Area to enhance trade in goods, services and investment. Korea is the second dialogue partner with whom ASEAN has engaged in a free trade agreement.

On trade in goods, ASEAN and Korea witnessed an annual average growth of 9.17% since the entry into force of ASEAN-Korea Trade in Goods Agreement. Total merchandise trade has doubled from US$ 55.95 billion in 2006 to US$ 125.12 billion in 2016. With this, Korea is ASEAN’s fifth largest trading partner.

The robust trade has strengthened the regional value chains as evidenced by the trade structure where Korea is not only a source of semi-finished goods, parts and components but also a market for consumer goods and intermediary products.

It is important that this momentum be maintained in order to achieve the target of US$ 200 billion by 2020 as envisaged by the Leaders during ASEAN-Korea Commemorative Summit in 2014. While almost 90% of tariffs have been eliminated, officials in consultation with the private sector continue to ensure the AKFTA remain relevant to the evolving business needs. New commitments on customs procedures and trade facilitation have recently been introduced and negotiation to further liberalize sensitive products have commenced.

In the case of trade in services, ASEAN and Korea committed to liberalize trade with substantial sectoral coverage while taking into account the sensitive sectors of countries concerned. Package of services commitments concluded include business, communication, construction, distribution services, education, environmental, financial, health, recreational, tourism and transport services. Whereas for investment, ASEAN and Korea also committed to create a liberal, facilitative, transparent and competitive investment regime with business friendly environment and protect investors’ investments. Total FDI inflows from Korea to ASEAN quadrupled from just US$1.43 billion in 2006 to US$5.98 billion in 2016. Korea also accounted for 6.2% share of total FDI to ASEAN in 2016, up from 2.3% in 2006, positioning it as ASEAN’s fifth largest source of FDI.
Complementing these initiatives, Korea established “Technology Advice & Solutions from Korea (TASK in short)” program, which she will promote technology cooperation to assist ASEAN with its industrial developments. We are indeed grateful to the Government of Republic of Korea for this important initiative.

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We have seen improvements in the global economy with the world output grew by 3.1% in 2016 and projected to grow at 3.5% in 2017. However global economic recovery is still daunted by several downside risks, notably, the economic uncertainty generated from policies adjustments in major economies. In response to this challenging economic landscape, ASEAN remains committed to open regionalism and will further strengthen its external economic relations for a more sustainable and inclusive economic growth.

ASEAN looks forward to closer and productive engagement with Korea, through shared learning, capacity building and other joint collaboration initiatives as it moves from a production-driven economy to a productivity-driven economy.

In this regards, we welcome the plan to introduce an ASEAN-Korea ICT partnership 2017-2021, which will focus on four strategic areas including innovation, connectivity enhancement, human resource development and information security. Such partnership will provide a strong foundation to propel ASEAN towards a digitally-enabled economy that is secure, sustainable, and transformative; and also enable an innovative, inclusive and integrated ASEAN Community.

With that, I look forward to hearing the outcomes of the discussions this afternoon, particularly on the recommendations to further advance ASEAN-Korea economic relations.

Gam sa Ham ni da.