

**Message**  
**H.E. Le Luong Minh**  
**Secretary-General of ASEAN**  
**ASEAN Business Forum 2014**  
**14 November 2014, Bangkok**

*Mr. Kalin Sarasin, Chairman of the Organising Committee, ASEAN Business Forum and Secretary-General, Thai Chamber of Commerce*

*Mr. Arin Jira, Chairman, ABAC Thailand*

***Ladies and Gentlemen,***

I would like to congratulate the organisers for holding the fifth ASEAN Business Forum. I welcome your continuous efforts to promote mutual understanding of the ASEAN Economic Community and its implications to businesses especially with the impending realization of the ASEAN Community in 2015.

The creation of the ASEAN Community was borne out of a mutual desire among all ten ASEAN Member States for peace and prosperity in the region. With this secured, ASEAN then forged on to build an ASEAN Economic Community on the premise of a single market and production base, and a competitive regional economy that fosters equitable development and an outward-looking region, deepening the economic integration within the region and into the global economy.

By bringing the economies of the ten ASEAN Member States together, ASEAN today represents a major economic grouping with a gross domestic product (GDP) of nearly 3 trillion US dollars— approximately 3% of the world's

total. ASEAN today has become an integrated and prosperous region - equal in size to the 7<sup>th</sup> largest economy in the world and, with its robust and resilient economies, projected to move up to be the 5<sup>th</sup> largest in the world by 2020.

Although building the ASEAN Economic Community is still and will remain very much a work in progress, there has been substantial advancement in the run up to 2015. More than 80% of the measures of the Roadmap to an ASEAN Community (2009-2015) have been implemented. Key agreements, frameworks, structures and mechanisms are in place and continuously strengthened to have a fully-functioning regional organization, that is ready and well-equipped to better facilitate businesses and welcome more investors to ASEAN.

The timing of this annual forum this year is indeed very opportune, as we have just concluded the 25<sup>th</sup> ASEAN Summit in Myanmar yesterday. This past year, ASEAN has focused on accelerating the implementation of the remaining measures under the three Community Blueprints. We have also initiated two ASEAN-wide processes: first, to strengthen ASEAN's institutions and secondly, to develop ASEAN's post 2015 vision – both of these are designed to ensure that ASEAN remain relevant and responsive to 2015 and post 2015 challenges.

***Ladies and Gentlemen,***

For the past few years, ASEAN has been moving towards the progressive dismantling of high tariff regimes and creating a tariff-free zone for ASEAN products. Today, ASEAN businesses now reap the benefits of up to 90% of tariff lines of the ASEAN Member States are at zero percent.

Focus has been also put on strengthening the institutional arrangements and management of the single market integration process, such as enhanced transparency, reducing non-tariff barriers and measures, and reinforcing trade facilitation through customs integration, creation of the ASEAN Single Window, and the elimination of technical barriers to trade on standards, and harmonising technical regulations and conformity assessment procedures.

Addressing non-tariff measures is key to facilitating greater trade in the region. Several initiatives include: the re-alignment of a database with the new UNCTAD classification, the establishment of an inter-agency body at the national level to complement regional initiatives, the publication of the Matrix of Actual Cases on non-tariff measures/trade barriers onto the ASEAN website, and the adoption of national and regional-level initiatives to address non-tariff barriers.

There has been steady progress with the ASEAN Single Window and the National Single Windows which should provide a platform for seamless exchange of electronically-transmitted trade related documents among ASEAN Member States as well as streamline business processes and paper-based documentary requirements. With this in place, this will be of great value to the business community as it will further reduce the cost and time needed to import and export goods in the region.

A pilot ASEAN Customs Transit System will be undertaken in Malaysia, Singapore and Thailand, aimed at facilitating the movement of transit goods by road within ASEAN. We have begun the development of the pilot system in October 2014, to run for 18 months.

The Self-Certification System is also under development as a trade facilitative tool in ensuring free flow of goods. Currently, there are two Self-Certification Pilot Projects to help build confidence and pave the way for the ASEAN-wide implementation of the Self-Certification System by 2015.

Progress has also been made on the harmonisation of standards, focusing on automotive, cosmetics, electrical and electronic equipment, prepared foodstuffs and rubber-based products. Recently, the ASEAN Medical Device Directive (AMDD) was completed to provide for the convergence of technical requirements for medical device products so as to make it easier to produce and sell these products in ASEAN.

***Ladies and Gentlemen,***

We have liberalised at least 80 sub-sectors in the services sector and the aim is to have most of the services sectors open up for investment by 2015. Work is also on-going in the negotiations for a new ASEAN Trade in Services Agreement, which will supersede the existing ASEAN Framework Agreement on Services and is targeted for conclusion by 2015. The ASEAN Qualification Reference Framework has been endorsed to provide a standardization of qualifications in both technical-vocational and higher education sectors to support cross-border labour mobility.

ASEAN continues to promote investments in the region as ASEAN Member States are further improving their investment facilitation policies. Indeed, regional integration has also made ASEAN more attractive to foreign direct investments, both from outside and particularly from inside the region. The region's success as a

manufacturing hub demonstrated that ASEAN is able to host world-competitive intermediate manufacturing facilities. With investment being an important component of ASEAN's success, we hope to continue to further liberalize our investment policies and encourage more companies to invest in Southeast Asia.

***Ladies and Gentlemen,***

ASEAN Connectivity – physical, institutional and people-to-people - is another important plank in ASEAN's strategy to enhance ASEAN competitiveness. Physical connectivity is focused on air, road, rail and maritime components to connect both mainland and archipelagic Southeast Asia. For this, private sector participation is needed to contribute to the massive infrastructure financing requirements to implement the projects under the Master Plan on ASEAN Connectivity. Public-private partnerships will close funding gaps and tap private sector's expertise to develop sustainable and high-quality infrastructure and make ASEAN a seamless and highly connected region.

Greater efforts are also being made to make the region competitive and provide a level playing field for businesses. Five Member States have already competition laws in place. ASEAN is also working on the registration, protection, and enforcement of intellectual property rights with nine Member States have pertinent laws being enforced and the remaining one will pass its legislation soon.

To integrate ASEAN into the global economy, we continue to implement and upgrade free trade agreements with China, Japan, India, Korea and Australia/New Zealand. Negotiations have just opened with Hong Kong. Now we are also in the thick of negotiations for the Regional Comprehensive Economic

Partnership Agreement. All these arrangements should bring greater trade and investments into the region, benefitting the business community and ASEAN's economies.

***Ladies and Gentlemen,***

While ASEAN has made significant inroads in building its Community, many challenges remain. We have to ensure that a highly cohesive regional economy is able to support sustained economic growth and resilience notwithstanding potential global shocks and volatilities. We have to do more to reduce social disparities and narrow development gaps among and within ASEAN Member States, reducing if not eliminating poverty in the region. We have to empower our peoples and ensure that more livelihood and economic opportunities are available and accessible to all. As ASEAN continues to grow sustainably, we also need to incorporate green technologies and practices in our businesses.

Nevertheless in the face of these challenges, while uncertainties and weaknesses in the global economy remain a cause for concern, ASEAN is committed and determined to keep pursuing regional integration efforts, to ensure a region that is stable and open for business, and that the benefits and opportunities will be enjoyed by all ASEAN peoples.

While 2015 is a milestone, ASEAN's journey will continue beyond 2015 to build a politically cohesive, economically integrated and socially responsible ASEAN Community. We all have a stake in the success of ASEAN's regional integration efforts. Private sector support and business confidence as well as the continued cooperation and mutually-beneficial partnership of the business

community are essential in this grand endeavor to make ASEAN a seamless and business-friendly investment destination.

Thank you!