

CHECK AGAINST DELIVERY

EMBARGO: 26.2.79 (12h Brussels' time)

STATEMENT TO BUSINESS PROCEEDINGS

BY WILHELM HAFERKAMP,

VICE PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

AT THE ASEAN-EEC CONFERENCE ON INDUSTRIAL CO-OPERATION

IN JAKARTA

ON MONDAY, 26 FEBRUARY, 1979

(11 o'clock local time)

Ministers, Excellencies,
Ladies and Gentlemen,

Looking at the Conference programme

I am pleased to see

that we have agreed to keep the formalities
to a minimum,

since the main objective of the Conference

is to allow as much discussion as possible
between the participants.

Nevertheless I do feel that it is important

to set the Conference in the overall perspective of relations
between our two regions.

This Conference marks a further and important step forward

in intensifying the links between the European Community
and ASEAN following the Ministerial Meeting last November
in Brussels.

That meeting set out guidelines for the way
in which the relationship was to develop.

The positive atmosphere in which it was held has
given a major impetus to our intra-regional
cooperation.

Immediately after this Conference

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Immediately after this Conference officials from both sides are to hold a second round of exploratory talks on the content of a cooperation agreement between the Community and ASEAN.

I am confident that the negotiations will be concluded well before the end of this year.

One important area in our joint activities will be industrial cooperation.

It was one of the areas identified by the Ministers in Brussels as being of particular importance.

They agreed that it was in the mutual interest of the Community and ASEAN

to encourage European investment in the ASEAN countries, particularly in those industries which are labour intensive, which rely on ASEAN raw materials, and which will raise the technological capabilities of the ASEAN countries.

This Conference is a practical expression

This Conference is a practical expression of our desire to encourage European investment in the ASEAN region.

The importance which both sides attach to industrial cooperation

is emphasized by the quality of the delegations from the two regions.

As far as the European participants are concerned,

our delegation is the most authoritative ever to leave the Community for this kind of discussion in any part of the world.

I must mention here that not only do we include representatives from the Member states of the EEC

but also from two other European countries, Spain and Austria, with whom the Community has very close relationships.

The role of the Commission of the European Communities in this venture is clear, and I think the same applies to the ASEAN governments.

Both of us are convinced

that it is the private sector which has the most important role to play in the development of industrial cooperation.

The role of governmental institutions

The role of governmental institutions
is to create the right climate
and to lay down guidelines for such cooperation.

The Community delegation has been selected by the Commission,
and by our friends in the European Banking Groups,
on the basis of a demonstrated interest and ability
to invest in the ASEAN region.

As you may know,

the first Conference of this kind in Brussels in April 1977
gave rise to some criticism from the ASEAN side
that the Europeans were only interested in selling.

I can confidently say that,

whilst selling may not be absent from the discussions
on this occasion,

the main objective is the promotion of investment.

My confidence derives from the fact

My confidence derives from the fact

that European industry has clearly been impressed

by what has been happening in ASEAN in the last few years,
in particular by the progress which has been made
in industrial development

both at the national and at the regional level.

We come here this week to learn
what Europe can contribute to this process.

Therefore, the European industrialists and bankers will be raising
during the next few days a number of questions about the progress
ASEAN is making in its plans for economic integration.

In particular

- they will want to know about ASEAN's preferential arrangements
and how rapidly these will become effective.
- Your industrial complementation ideas will also come up
for detailed examination as will your priorities in the
investment field.
- Furthermore, the European side will be anxious to hear your
assessment of the broad prospects for the future development
of the region.

For the purpose of your replies

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For the purpose of your replies you may take it that the time-frame in which European investors are looking at the region is 5 - 10 years.

You will, I know, recognize that these questions reflect the interest of the European participants in being involved in the development of ASEAN.

I am confident therefore

that you will make a particular effort in your replies to add one vital dimension

- the extent and nature of the role you expect Europe to play in this task.

As I have already said the size and quality of the European delegation to this Conference is unique.

This Conference demonstrates that both governments and the private sector in Europe believe in the future of ASEAN.

We believe very firmly

that cooperation between our two regions can be a model of the sort of relationship

which should exist between developed and developing countries.

The joint activities which emerge can only be of benefit to both regions.

One of the functions

One of the functions of this Conference

must be not only to look at the opportunities,
but also the problems which may be an impediment to industrial
cooperation.

Problems do exist and we should not ignore them.

I hope both sides will feel free to discuss the problems which
they face, or think they face, in investing in or attracting
investment to the ASEAN region.

If such problems are brought to the surface

it may be possible to deal with them in the context of the
dialogue between governments.

We have already started on this in one respect

by agreeing last November to seek to extend the pattern
of existing investment protection arrangements between the
two regions.

It must be frankly admitted

that there are certain other problems which concern European
investors,

for instance investment and other regulations which
change from year to year, creating a climate of
uncertainty.

We must also look beyond the present Conference

We must also look beyond the present Conference.

It can only be a starting point in the development of industrial cooperation.

We are already in continuous contact at the governmental level through the ASEAN Ambassadors Brussels Committee.

The situation will be further improved with the opening of the Commission delegation in Bangkok later this year.

But we must also ensure a continuous two way flow of information between the private sectors in the two regions.

The aim should be to establish links between relevant business organisations and a forum in which to discuss problems and opportunities in the trade and investment field.

This might be done to begin with on a sectoral basis, in keeping with the practical spirit of the Conference.

Ministers, Excellencies, Ladies and Gentlemen,

I am confident that here in Jakarta this week we can begin a process of industrial cooperation between our two regions which will have far-reaching results.

If this does turn out

If this does turn out to be the case

I am sure that it will largely be due

to the fact that this Conference has been prepared
by both sides with great care and consideration,
and to the warm welcome which has been extended
to us by the government of Indonesia.

I would like on behalf of the European delegation

to thank our ASEAN hosts for all they have done
to ensure the success of the meeting.