

Sanet press release, Dr. Gunter Denk

ASEAN Union Will Become a Reality on January 1, 2009



Photo on left: Dr. Surin Pitsuwan, General Secretary of ASEAN, acknowledges the ASEAN group's responsibility in the current financial crisis, speaking to European businessmen in Bangkok. Photo on right (l. to r.): Uwe Solinger, Ambassador Hanns Schumacher, Dr. Pitsuwan, Chamber President Pracha, and Chamber Manager Stefan Bürkle (Bangkok).

In bad times, good news often goes unobserved. Hardly anyone in Europe noticed that in November 2008, the last of the 10 member-states of the ASEAN alliance ratified their common Charter of November 1998. Indonesia, the 9th state, completed the process on November 13, 2008. Thailand's agreement is a formality, since it was glad to be the last state to ratify, thereby providing the decisive signature. And so, the Charter becomes effective after 30 days, and will be in force as of January 1, 2009.

This is of considerable significance for the world economy: After all, this community comprises 570 million people, which places it economically on a level with India, and according to many criteria, with China as well. Along with such highly developed states as Singapore, Brunei, Thailand, Malaysia, Vietnam, the Philippines, and Indonesia, ASEAN also includes Burma, Laos, and Cambodia, whose political and economic development it will thus influence greatly.

Therefore, it was highly topical for all the participants in a symposium of the TGCC on November 9, 2008 in Bangkok, where a small group of European businessmen listened to the General Secretary of the ASEAN community, Dr. Surin Pitsuwan (Thailand), talk about the significance of the ratification of the ASEAN Charter, and the role of the member-states in coping with the world economic crisis.

Yet in 1997, as the ASEAN General Secretary recalled the Asia crisis of that time, the countries of Southeast Asia were each "running for cover" on their own. Their basic instinct was flight. Today, things look completely different in the ASEAN alliance: The states of the new community stood together, applied a portion of their currency reserves to combat the crisis, and are, due to their lesser dependence on the U.S. financial world, even in the position, along with China, to cushion themselves from the world economic crisis. "The Asian countries have profited from the international financial world in the last 10 years. We will also measure our success as a community, in how far we succeed today in making our contribution to the stabilization of the world economic system!", said Pitsuwan, in underlining the economic significance of ASEAN.

The ASEAN Charter's taking effect on January 1, 2009 also constitutes great progress for the people of Southeast Asia. The Charter encompasses cooperation in questions of security, of cultural, political, and social development, and an integration of economic systems.

Already, about 94% of intra-community trade has minimal tariffs of 0 to 5%. Technical and bureaucratic trade barriers will be overcome bit by bit. By 2015, the AFTA customs union, as part of the ASEAN Pact, will cover practically all economic commodities, and the labor market itself will be affected by the mobility of trained workers within ASEAN.

Another thing offers an economically appealing future to European investors: The conditions for foreign investment in the member-states will be harmonized, step by step. The unified economic and customs region means that for investors in each country of the community, gaining entry to the market in one member-state practically provides access to the markets of all 10 states.

Pitsuwan called on the Europeans, and especially their Chambers of Commerce, to interact with the ASEAN community more jointly, and thereby to carry more weight.

In closing, Pitsuwan stressed that while ASEAN has indeed reduced its growth prognosis for 2009 from 6.5% to 3.5 or 4% because of the world economic crisis, still this growth, and the concomitant imports of western goods, will be a significant factor in stabilizing the economies of Europe and the USA.

Bangkok, November 11, 2008