

**Statement on behalf of the Members of the
Association of Southeast Asian Nations (ASEAN)
Delivered by
Mr. Kiengkhammanh Khottavong, Economic and
Commercial Counsellor of the
Permanent Mission of the Lao People's Democratic Republic to the
United Nations and other International Organizations
During the Opening Session of the
63rd Trade and Development Board
05 December 2016, Room XXVI, Palais des Nations, Geneva**

Introduction

Mr. President,

1. I have the privilege of the delivering the following statement on behalf of the ten members of the Association of Southeast Asian Nations or ASEAN, namely Brunei Darussalam, Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam, and my delegation the Lao People's Democratic Republic. ASEAN associates itself with the statements delivered by Argentina on behalf of the Group of 77 and China and Pakistan on behalf of the Asia Pacific Group.
2. As this is the first time our group is taking the floor after the adoption of the Nairobi Maafikiano last July, allow me to express our group's felicitations to the government and people of Kenya for the successful hosting of UNCTAD XIV and to you Mr. President for a job well done as well as to the various groups and their negotiators for being able to find that elusive middle ground, and finally to the Secretary-General, Dr. Mukhisa Kituyi, and the secretariat for providing us with the necessary support so we could achieve a forward looking and comprehensive outcome that will promote the cause of development. The Maafikiano is a truly remarkable document that will serve as a guide for our work over the next four years. It revitalizes an important institution that we established several decades ago, which can assist us as we strive to help our citizens so that they may benefit from the fruits of economic growth and development.
3. ASEAN was founded three years after UNCTAD and one of the goals of the group was to "accelerate economic growth, social progress, and cultural development in the region." Next year will mark our 50th anniversary. In that time we have achieved much, in particular the creation of the ASEAN Political-Security Community, the ASEAN Socio-Cultural Community, and the ASEAN Economic Community (AEC). In creating these close linkages through these communities we have established one of the most dynamic and progressive regional groupings. The ASEAN economy in 2015 was the 6th largest in the world and the 3rd largest in Asia, our population at 622 million is 3rd largest, and we managed to attract USD120 billion in investments, our total trade for the same year amounted to USD2.3 trillion. Building on the success of the AEC that was established in 2015, we now have the AEC Blueprint 2025 which will lead to 1) a highly integrated and cohesive economy, 2) a

competitive, innovative, and dynamic ASEAN, with 3) enhanced connectivity and sectoral cooperation, 4) a resilient, inclusive, people-oriented, and people-centered ASEAN, and 5) a global ASEAN. *(based on information from the ASEAN Economic Community at a glance document)*

4. The economic growth experienced by ASEAN economies is partly due to the strong integration of our economies and our engagement with our dialogue partners. Hence the theme for the 50th anniversary of ASEAN in 2017 is “Partnering for Change, Engaging the World.” In this regard, ASEAN looks forward to deeper and more enhanced engagement with UNCTAD. In particular, we would like to work with the institution in sharing with other members factors behind the achievements of ASEAN regional integration in the last five years. Furthermore, agenda items 2 and 3 of this year’s TDB are highly relevant to ASEAN’s plans for continued growth and will certainly be relevant as we pursue the ASEAN Blueprint 2025.

Evolution of the international trading system and its trends from a development perspective

Mr. President,

5. On the international trading system, ASEAN wishes to highlight that it has evolved much since the founding of our organization. The member economies recognize that trade can certainly contribute to a country’s development. In this regard, there has been an increase in inter-regional trade as well as with that of the dialogue partners. This has contributed to ASEAN’s combined GDP, which stood at USD2.43 trillion in 2015, firming up the region’s position as a global growth center. ASEAN’s real GDP grew at a robust rate of 4.7% in 2015 amidst increasingly challenging global conditions. While external headwinds are expected to weigh on growth prospects, the regional economic outlook is projected to remain resilient at 4.5% in 2016, underpinned by strong public and private consumption, robust infrastructure spending and accommodative fiscal policy, before accelerating to 4.8% in 2017. ASEAN’s merchandise trade performance reached USD2.28 trillion in 2015, with intra-regional trade accounting for the largest share at 24% or USD 545 billion. *(based on paragraphs 35 and 36 of the Chairman’s Statement of the 28th and 29th ASEAN Summits, Vientiane 6-7 September 2016 Turning Vision into reality for a Dynamic ASEAN Community)*
6. With the demonstrated contribution of regional economic integration to economic growth and resilience, the ASEAN members reaffirmed commitments to effectively implement the AEC Blueprint 2025 by putting in place the requisite implementation mechanisms and monitoring frameworks. *(based on paragraph 37 of the Chairman’s Statement of the 28th and 29th ASEAN Summits, Vientiane 6-7 September 2016 Turning Vision into reality for a Dynamic ASEAN Community)*
7. ASEAN members were pleased to note that in 2016, the inaugural year of the AEC, efforts have been focused on completing the remaining AEC 2015 measures as well as initiating the implementation of new measures under the

AEC Blueprint 2025. *(based on paragraph 38 of the Chairman's Statement of the 28th and 29th ASEAN Summits, Vientiane 6-7 September 2016 Turning Vision into reality for a Dynamic ASEAN Community)*

8. ASEAN has established Free Trade Areas (FTAs) with the dialogue partners, namely ASEAN-Australia-New Zealand, ASEAN-China, ASEAN-India, ASEAN-Japan Comprehensive Economic Partnership (AJCEP), and ASEAN-ROK. Negotiations are also on-going with the Regional Comprehensive Economic Partnership (RCEP), which involves the ASEAN 10 plus the 6 dialogue partners.
9. At the last ASEAN Summit in Lao PDR held in September 2016 the leaders welcomed the outcomes of improving the ASEAN Plus One FTAs, including the entry into force of the Third Protocol to Amend the ASEAN-Korea Trade in Goods Agreement, and the Protocol to Amend the Framework Agreement on Comprehensive Economic Co-operation and Certain Agreements thereunder between ASEAN and China. ASEAN members were pleased with the conclusion of services and investment negotiations under the ASEAN-Japan Comprehensive Economic Partnership, and noted the importance of the planned review of the ASEAN-India Trade in Goods Agreement, the commencement of the negotiations for further liberalization under ASEAN-Korea Trade in Goods Agreement, the endorsement of the Terms of Reference for General Review of the ASEAN-Australia-New Zealand FTA (AANZFTA), and the progress of the negotiations for ASEAN-Hong Kong, China FTA. The leaders further welcomed the endorsement of the renewed ASEAN-Japan 10-Year Strategic Economic Partnership Roadmap, the ASEAN-U.S. Cooperation in Fostering Transparency and Good Regulatory Practices, and the ASEAN-U.S. Cooperation in Fostering Transparency and Good Regulatory Practices, and the ASEAN-U.S Trade and Investment Framework Agreement (TIFA).
10. On RCEP, there was an intensification of negotiations the past year. Leaders reiterated commitments towards the achievement of a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement and called on the ministers and negotiators to redouble their efforts towards its early conclusion. *(based on paragraph 74 of the Chairman's Statement of the 28th and 29th ASEAN Summits, Vientiane 6-7 September 2016 Turning Vision into reality for a Dynamic ASEAN Community)*
11. ASEAN members recognize that an inclusive and equitable global economic environment is essential for development, particularly in assisting member economies meet the recently agreed upon Sustainable Development Goals (SDGs). It is crucial that the benefits from trade be used to meet the 17 goals and 169 targets. Furthermore, a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory, and equitable multilateral trading system under the WTO, as well as meaningful trade liberalization with appropriate supporting policies are needed. In this regard, the ASEAN countries look forward to working with UNCTAD given the latter's role as the focal point in the UN system for the integrated treatment of trade and

development and interrelated issues in the areas of finance, technology, investment, and sustainable development, to assist us not only in terms of implementing the SDGs, but also in other related agreements. *(based on paragraphs 12 and 18 of the Nairobi Maafikiano)*

Investment for development

Mr. President,

12. ASEAN would also like to touch on the issue of investments. Our economies recognize the importance of investments in terms of promoting development. As stipulated in the Nairobi Maafikiano “Increasing trade and foreign direct investment have been mutually supportive, contributing to the unprecedented transformation of many developing countries, some of which have become important engines of growth, regionally and globally, and major drivers of global trade and investment.” *(based on paragraph 17 of the Nairobi Maafikiano)*
13. In the ASEAN region, total foreign direct investment (FDI) inflows to the region remained resilient at USD120 billion in 2015, with the services sector as the largest contributor at 62.5%. It was noted that intra-ASEAN FDI inflows also accounted for the largest share of FDI inflows to the region, at 18.5% of total FDI inflows or USD22.1 billion. *(based on paragraph 36 of the of the Chairman’s Statement of the 28th and 29th ASEAN Summits, Vientiane 6-7 September 2016 Turning Vision into reality for a Dynamic ASEAN Community)*
14. The key question is how to ensure that the increased investment is translated into actual development that will lead to the achievement of the SDGs. The Maafikiano points out that “investment can be a powerful means to support the achievement of the Sustainable Development Goals. Investment can bring innovative technology, can stimulate production and employment, and can enable access to international markets for better expertise and increased development opportunities.” In this regard, ASEAN wishes to highlight the importance of continuing to cooperate and engage in dialogue within UNCTAD with a view to maintaining a conducive policy environment for investment, and addressing shared investment policy challenges. *(based on paragraph 23 of the Nairobi Maafikiano)*
15. ASEAN looks forward to UNCTAD’s continuing work on the development impact of foreign direct investment and the activities of multinational enterprises, including through non-equity modes of international production, to keep member States abreast of developments and enable them to assess their importance for development and devise and implement appropriate policy instruments together with its work on investment agreements in accordance with the Addis Ababa Action Agenda (AAAA), maintaining its role as a forum for international discussion on investment agreements, and assist member States in their efforts to strengthen the development dimension. *(based on paragraphs 38(g) and 38(l) of the Nairobi Maafikiano)*

16. ASEAN recognizes the importance of mobilization of financial resources to developing countries and the enhancement of investment in the real economy, particularly in sustainable infrastructure development, including public–private partnerships and production capacity, in developing countries. *(based on paragraph 43 of the Nairobi Maafikiano)*

17. ASEAN would like to highlight that foreign direct investment and trade can also play a key role in disseminating environmentally sound technologies to developing countries and in stimulating technology development. UNCTAD should also help ASEAN countries develop a better understanding of investment issues and investment policies that promote development, as well as issues related to international investment agreements and their development dimension. *(based on paragraphs 45 and 55(hh) of the Nairobi Maafikiano)*

UNCTAD contributions to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

18. In this regard and in relation to UNCTAD’s role in implementing the major development agreements of 2015, ASEAN recognizes the critical nature of its work as far as implementing the relevant development agreements, specifically the 2030 Agenda for Sustainable Development, the AAAA, the Paris Agreement, and the Sendai Framework for Disaster Risk Reduction. It is not merely a contributor. *(based on paragraph 2 and 12 of the Nairobi Maafikiano)*

19. Given the increasing demands we are asking of UNCTAD, it is clear that the organization will have to be given more resources. To expect it to do more with less is unrealistic. We, the Member States, all have to do our part to support UNCTAD so that it can function the way we envisioned it would function when we came to an agreement in Nairobi.

Conclusion

Mr. President,

20. In closing, the adoption of the Maafikiano breathed new life into this revered development institution and ASEAN looks forward to working with UNCTAD through its three pillars of consensus building, research and analysis, as well as technical cooperation so that we may continue to utilize the international trading system to promote sustainable development and achieve prosperity for our 622 million strong population.

I thank you Mr. President.