Keynote Address for the Mekong Forum 2023 in Kunming City, Yunnan Province, P. R. China

"Deepening the ASEAN Community Building: The Emerging Role and Contribution of the GMS through the ASEAN Lens"

by the Deputy Secretary-General of ASEAN for the ASEAN Economic Community

27 July 2023

Mr. Chen Rongjie, Deputy Director-General, Foreign Affairs Office, The People's Government of Yunnan Province,

Dr. Narongchai Akrasanee, Chairman of the Mekong Institute Steering Committee,

Mr. Winfried Wicklein, Director General for Southeast Asia Department, Asian

Development Bank (ADB),

Mr. Suriyan Vichitlekarn, Executive Director, Mekong Institute

Excellencies, Ladies and Gentlemen,

It is my pleasure to present this keynote address on the occasion of the 2023 edition of the Mekong Forum being held in Kunming city, Yunnan province, China, on a topic of immense significance - "Deepening the ASEAN Community Building: The Emerging Role and Contribution of the Greater Mekong Subregion (GMS) through the ASEAN Lens".

Everyone in attendance today at this important Forum recognises the importance of regional cooperation and collaboration to address the challenges and seize the opportunities that lie ahead. This gathering today represents a shared vision, a commitment to progress, and a determination to build a brighter future together.

The Greater Mekong Subregion or GMS, comprising Cambodia, Lao PDR, Myanmar, Thailand, Vietnam, and the Yunnan and Guangxi provinces of China, lies at the heart of Southeast Asia's economic growth. This subregion boasts rich cultural diversity, abundant natural resources, and a young and dynamic workforce. Over the years, the GMS countries have experienced significant economic development, leading to increased connectivity and heightened regional integration. ASEAN, on the other hand, is a powerhouse of collaboration and cooperation among its ten Member States: Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Together, these countries have demonstrated the power of regional unity, creating a single market and production base known as the ASEAN Economic Community (AEC). This cooperation has facilitated the free flow of goods, services, and skilled labour, fostering economic growth and bolstering the region's resilience. While the average global GDP growth is at 2.8%, ASEAN has been forecasted to experience a positive growth of 4.6% in 2023, and 4.6% in 2024. ASEAN has worked very hard in the past few years, particularly in the signing of the Regional Comprehensive Economic Partnership (RCEP), led by AMS and includes five (5) large trading partners of ASEAN, namely Japan, China, Republic of Korea, Australia and New Zealand. The RCEP has been in full force since 1 January this year and fully ratified by all parties.

At the onset, I would like to recognise the critical role played by the GMS in supporting the ASEAN Community Building efforts. GMS, is the home and guardian of the Mekong River, which is the lifeline of Southeast Asia, and as such is an indispensable part of ASEAN. The GMS is also strategically positioned as a bridge connecting ASEAN's continental and maritime regions, and is the centre of many connectivity and economic initiatives.

The emerging role of the GMS in the ASEAN community building can be viewed through several key lenses:

 <u>Contribution in achieving the AEC Blueprint 2025</u>. The ASEAN Economic Community Blueprint 2025 is a 10-year guiding document since 2016, which envisions to create a deeply integrated and highly cohesive ASEAN economy that would support sustained high economic growth and resilience even in the face of global economic shocks and volatilities. It further aspires for a more equitable and inclusive ASEAN, particularly in terms of economic growth in the region, by narrowing the development gap, significantly reducing poverty, and sustaining high growth rates of per capita income. In this regard, one of the characteristics of the AEC Blueprint is to achieve equitable economic development for a resilient, inclusive, people-oriented and people-centred ASEAN.

Recognising that pockets of underdevelopment and development gaps exist in all countries, ASEAN has continued to coordinate and work closely with sub-regional cooperation frameworks in the region including the GMS, as part of our vision to narrow development gaps. The Initiative for ASEAN Integration (IAI) has been a key initiative to address the narrowing of development gaps in the region by assisting the AMS in need by strengthening capacity building to implement regional commitments towards ASEAN economic integration, enhance productivity and competitiveness of rural economies, as well as emphasising on the development of MSMEs, which is the heart and soul of each nation's economic development. In order to meet these aspirational goals, collaborative support is needed from government officials, development practitioners at the regional level, intergovernmental agencies, civil society, non-profit organisations, businesses and the private sector, as well as research and academic institutions.

As we continue to work through the last mile of the AEC Blueprint 2025, our eyes are also fixated on the long-term vision beyond 2025. We will continue to place emphasis on the narrowing development gap agenda and we believe that the GMS will have a big role to play in helping the region move closer towards this goal.

 <u>Maintaining Sustainable Development and Environmental Protection</u>. The GMS is rich in natural resources and biodiversity, making it a vital player in promoting sustainable development in ASEAN. We are all aware that this region is prone to water-related hazards particularly water pollution, loss of wetlands, floods and drought, as well as adverse impacts of climate change that affect various sectors.

As we move forward, we must remember the importance of sustainable development. A collaborative approach between ASEAN and GMS provides a unique chance to collectively address environmental challenges, such as climate change, deforestation, and transboundary water resource management. There is also an urgency for action and partnership to achieve water security and provide a roadmap towards a watersecure future in our region. By pooling our resources, expertise, and knowledge, we can implement innovative solutions that preserve our natural heritage for future generations. The same will apply to manage the issues such as haze which is affecting our region. In this regard, our commitment towards circular economy in the region will help to face the long term issues that we are facing.

3. Engagement with Sub-Regional Secretariats. In aligning our complementarities, the ASEAN Secretariat and the GMS have the collective responsibility to ensure that our engagement and partnership is regular and impactful, particularly at times when we face new crises and challenges in our growth. Last year, with the support of ADB, a two-phase Joint Consultative Meeting was held between the ASEAN Secretariat and the secretariats of other sub-regional mechanisms. The Joint Consultative Meetings demonstrated the ASEAN Secretariat's commitment in strengthening cooperation between the sub-regional mechanisms within the region by providing a platform for exchanging information and best practices as well as exploring joint activities. The output of this endeavour is a Joint Plan of Action in a few specified areas where we could work together to achieve our regional goals.

Excellencies, Ladies & Gentlemen,

To harness the full potential of the GMS's emerging role in ASEAN, it is imperative that cooperation, collaboration, and inclusivity takes centrestage. This can be achieved through the following:

First, <u>further synergy between GMS and ASEAN</u>. I would like to emphasise the importance for ASEAN and the GMS in strengthening cooperation that would promote synergies and complementarities with the ASEAN regional agenda. In taking our collaboration further, I would like to propose that we expand policy dialogue and coordination among the relevant sub-regional frameworks in the Mekong sub-region. Each of these sub-regional outfits have key roles to play in determining the future trajectory for sustainable and inclusive development in our region. Joint cooperation to pursue shared goals could address some of the coordination issues that persist in the GMS. ASEAN is prepared to serve as an information database to consolidate details on the various initiatives being planned, implemented, and completed under each framework. With this platform, overlaps and gaps in the Mekong subregion could be identified, and the necessary planning and intervention could then take place to address these. This would lead to better synchronization and alignment of future programmes, which should also result in higher returns on investment for donor partners, as activities and interventions would be channeled to impact where it really counts, while minimising adverse environmental and socioeconomic consequences.

Second, <u>Capacity Building and Human Capital Development</u>. Our most valuable asset is our people. Empowering the people of the GMS with the skills and knowledge they need to thrive in the 21st century is extremely vital. Education, vocational and skills training, and entrepreneurship programmes are necessary skills and knowledge, particularly for the youth and business community, which would help them thrive in the ever-changing global landscape. Some of these projects continue being implemented through the Initiative for ASEAN Integration (IAI) Work Plans, which has benefitted Cambodia, Lao PDR, Myanmar and Viet Nam, as part of the narrowing development gap agenda. Ultimately, this can help to unlock the region's potential and contribute to ASEAN's collective progress.

Next, <u>Cultural Exchange and Tourism</u>. The GMS countries boast a rich tapestry of cultures, traditions, and history. As a measure to counteract the pandemic's adverse impacts, GMS countries have already undertaken various measures on tourism including fiscal, monetary, and training support for the travel and tourism businesses. Collaborating with ASEAN in the realm of cultural exchange and tourism can create a vibrant tapestry of experiences for visitors from around the world. This will not only promote economic growth but also foster greater appreciation and respect for our shared heritage. In line with this, the Framework on Sustainable Tourism Development in ASEAN in the Post-COVID-19 Era has been endorsed by the ASEAN Tourism Ministers in 2022. Further, ASEAN is currently developing an Action Plan to guide relevant stakeholders in implementing the identified priorities in this Framework. As the recovery from the impact of the pandemic continues to be a priority, the Action Plan aims to support economic renewal to boost industry performance. The development of the Action Plan would require cross-sectoral

collaboration as emphasised in the Framework, as well as Capacity Building Programmes to familiarise relevant stakeholders in the region.

Finally, as GMS is ASEAN's most active region for hydropower development, making it a powerhouse not only for hydropower but potentially also for other forms of renewable energy in ASEAN, we look to the GMS countries to contribute significantly to cross-border multilateral power trade in the <u>ASEAN Power Grid</u>. The ASEAN Power Grid (APG) is a major linchpin not only for ASEAN energy security but also for enabling the region's energy transition. Following the accomplishments of the Lao PDR – Thailand – Malaysia – Singapore Power Integration Project (LTMS – PIP) and noting the findings of the ASEAN Interconnection Masterplan Study 3 (AIMS 3), we encourage GMS to continue pursuing power integration in the "APG North subregion" and be the sub-regional pioneer for multilateral power trading in the ASEAN region as a whole.

In conclusion, the collaboration between the Greater Mekong Subregion and ASEAN is an endeavour that holds immense promise. By pooling our resources, knowledge, and ambitions, we can build a stronger, more connected, and sustainable future for our people. In August 2023 at the ASEAN Economic Ministers' Meeting, we will see significant endorsement by ASEAN Member States in sustainable initiatives – ASEAN Carbon Neutral Plan, ASEAN Blue Economy Framework and Digital Economy Framework Agreement (DEFA). Therefore, let us embrace this opportunity with open arms and work together to shape a legacy of prosperity and harmony that will resonate for generations to come.

Thank you.