

**Statement by H.E. Professor Dr. Surakiart Sathirathai  
Chairman of the Asian Peace and Reconciliation Council (APRC), Former  
Deputy Prime Minister and Minister of Foreign Affairs of Thailand**

**Moving Towards the East Asian Economic Community**

*Boao Forum for Asia Annual Conference 2015*

*Saturday 28 March 2015,*

*BFA Hotel,*

*Boao, Hainan Province.*

Your Excellency Yasuo FUKUDA, Chairman of the Board of Directors of Boao Forum for Asia, Former Prime Minister of Japan.

Your Excellency ZENG Peiyan, Vice-Chairman of the Board of Directors of Boao Forum for Asia, Former Vice Premier of China.

Mr. ZHOU Wenzhong, Secretary General of Boao Forum for Asia,

Distinguished Guests,

Excellencies, Ladies and Gentlemen,

We have just heard two remarkable statements from distinguished personalities of Japan and China, the two countries that are most vital to the success of an East Asian Economic Community.

Speaking as someone from the ASEAN region, we are encouraged by the fact that there appears to be a broad consensus of opinion that progress must now be made to realize the potentials for common prosperity in the region of East Asia.

In particular, we welcome the recent trilateral meeting of the Foreign Ministers of China, Japan and Korea held in Seoul on 21<sup>st</sup> March where a summit meeting at an early date of the Leaders of the three countries was also agreed upon. The trilateral meeting can be regarded as the early flower buds of a new spring. I believe the trilateral ministerial meeting has helped to reinforce a new momentum towards mutual trust and future-oriented cooperation in East Asia. This sense of renewed hope has been reinforced by the statements we have heard here at the Boao Forum.

In a world of much tension and strife, with armed confrontations of great and unprecedented complexity in many regions, East Asia is relatively stable and at peace. We must keep it this way.

As reports and studies done by international financial and economic institutions have indicated, there are both downside and upside risks in the present international situation. Moderate revived economic growth in many regions after the 2008 financial meltdown are counter-balanced by the downside of currency fluctuations, lack of adequate financing for development, and decline in oil and commodity prices. Relative peace in Asia is counter-balanced by terrorism and extremism that have brought strife and suffering to many areas of the world. The risks, therefore, will still have to be carefully managed.

Management of risk requires in-depth understanding of the issues. Timely information and impartial analysis, a wide network for dissemination of the ideas generated, and a forum for constant dialogue are needed. The Boao Forum for Asia can serve all of these functions. It can be a generator of ideas, facilitator for the exchange of ideas, and the vehicle for the realization of ideas.

We do need such a convening and assimilative mechanism. This is because, as the two previous distinguished speakers have outlined, there is a vast range of initiatives and projects that have either been tried in the past or recently been proposed.

Here, I am referring to the attempts by the ASEAN+3 countries to build an East Asian Economic Community; the RCEP which seeks to build upon the ASEAN FTA with China, Japan, South Korea, India, and Australia-New Zealand and perhaps leading to FTAAP among all APEC members; Greater Mekong Subregion (GMS)

Economic Cooperation Program; Japan-Mekong Cooperation, as well as the ACMECS ( Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy) among Thailand, Myanmar, Laos, Vietnam and Cambodia. All of these can be regarded as important instruments in building the necessary structure of cooperation among East Asian countries as well as strengthening the newer member countries of ASEAN in order for them to be able to undertake obligations under the AEC or ASEAN Economic Community which is due to come into effect at the end of this year.

In terms of financial architecture, the Chiang Mai Initiative launched by APT in 1997 has now become multilateralised (CMIM) with USD 240 billion as reserve pooling and clear criteria as to how the fund can be borrowed by APT countries to stabilise their currencies in time of need or crisis. This is like the Asian Monetary Fund that had been proposed in 1997 but never came into existence due to opposition by certain powers. Key economists like Professor Joseph Stiglitz believe that this is an emerging new Asian Financial Architecture.

To add to the new financial architecture, the Asian Bond Market which was launched under the Asia Cooperation Dialogue (ACD) over 10 years ago and actively supported by APT should be further developed from the Asian Bond Fund which aims to create the demand side to the supply side, that is, bonds to be issued by developing countries in Asia to finance development.

To complete the picture of Asian Financial Architecture, the new initiative for the creation of the Asian Infrastructure Investment Bank (AIIB) announced by President Xi Jinping of China deserves serious support in order to offer development financing alternatives to complement the World Bank and ADB. I am glad to see that support for the AIIB initiative has now gained critical mass among the key

countries. This augurs well for continued growth and economic dynamism in this region.

With the AIIB, along with the recently established BRICS new development bank and the China-ASEAN Maritime Fund, we can now see more clearly that the resources will be available for the realization of the “Yi-Tai, Yi-Lu” one belt one road, overland silk road and maritime silk route, which will create new markets, provide connectivity, tap a consumer base of potentially four billion people, create new investment, employment, wealth and development.

From all of the above initiatives, we can see that regional financial and physical connectivity and regional economic integration are taking shape, laying firm foundations for the East Asian Economic Community.

As the former Prime Minister of Malaysia, Tun Abdullah Badawi, said at last night's Board of Directors dinner, these are certainly exciting times and could indeed be the best of times. However, we must realize that there are pockets of tension within the East Asia region that have to be carefully managed, such as sovereignty disputes over islands in Northeast Asia and over maritime boundaries in the South China Sea.

I am participating here at the Boao Forum also in my capacity as the Chairman of the Asian Peace and Reconciliation Council (APRC). The APRC, whose members are former national government leaders and ministers, seeks to create conditions that are conducive for peace, through quiet diplomacy, oriental wisdom and inter-locking networks of friendship and understanding. We firmly believe that lasting peace depends on equitable economic development. At the same time, sustainable economic development depends on an environment of peace.

Here, I feel that it would be appropriate to remind ourselves of what President Xi Jinping of China has often stressed “He Ping/Peace”, “He Zhuo/Cooperation”, “Fa Zhan/Development”.

Excellencies,

Ladies and Gentlemen,

I would like to put forward to you this proposition. We now have a conceptual framework as enunciated by President Xi Jinping which can bring coherence to the many cooperative ideas and initiatives that have been either proposed or implemented in this region. The ideas, initiatives and projects can now be viewed more coherently within the theoretical framework of peace, cooperation and development. The ideas, initiatives and projects serve as the building blocks for a better future. That future has been defined by the theme of this year’s Boao Forum, namely, “A Community of Common Destiny”.

We must seize this opportunity to bring about even sooner the realization of the Community of Common Destiny, indeed the realization of our common dream.