



**THE 2ND OECD-SOUTHEAST ASIA
REGIONAL FORUM
“ENHANCING COMPETITIVENESS THROUGH
REGIONAL INTEGRATION”**

**Introductory remarks by Mario Amano
Deputy Secretary-General
OECD**

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Dear Secretary-General, Minister, Distinguished Guests, Ladies and Gentlemen:

It is a great pleasure to be here in Bangkok. I am much honoured that Vice Minister **Panich Vikitsreth** and Secretary-General **Surin Pitsuwan** are able to join me in welcoming you to the 2nd OECD-Southeast Asia Regional Forum. We are very grateful to the wonderful hospitality of the government of Thailand and I would like to especially thank you, Vice Minister, and your Ministry for the hard work that went into the preparation and hosting of this Forum. The theme of the Forum is “Enhancing Competitiveness through Regional Integration”.

The Southeast Asian region is one of the most dynamic areas in the world. It is also one of the most diverse. This **diversity** is manifest in numerous ways, including levels of economic development, economic structures and income levels. The region has experienced remarkable economic dynamism and it is actively engaged on an ambitious path of regional integration. Before the recent downturn, economic growth was buoyant and trade and investment flows soared as a result of increasing international division of labour. However, in the current climate, there is a real need for faster regional economic integration to cushion the impact of the global economic downturn.

Southeast Asia is a region of strategic importance to the OECD. In May 2007, OECD Ministers decided to strengthen relations with the region. To that end, we are pursuing a **dual track approach** combining regional initiatives with country specific work, in close co-operation with regional organisations including the ASEAN and the Asian Development Bank.

The importance of the region for the OECD is reflected today by the strong presence of delegates from OECD member countries and the Secretariat. I would like to especially welcome the participation of two OECD Ambassadors: Ambassador Norio Hattori from Japan who will speak in Session III on Investment and Ambassador Laurence Argimon-Pistre from the European Commission who will Chair Session I on the Macroeconomic Perspectives and Challenges for Regional Integration. Ambassador Argimon-Pistre is also the Leader of our Reflection Group on Southeast Asia.

A 1st OECD - Southeast Asia Regional Forum was held in Jakarta in January 2007 focussing on “*Peer Review Mechanism for Policy Reform*”. This forum discussed the experiences and lessons learned from **peer reviews - a hallmark of OECD working methods**.

The OECD is a Forum where governments come together to share and compare policy experiences, seek answers to common problems, and co-ordinate action. It is progressively reinforcing its role as a global forum for dialogue and decision on economic and social policy issues. It does this by providing a platform for a wide range of policy experiences and a possibility to influence the shaping of the global economic agenda.

The OECD’s way of working consists of a highly effective process of consensus building that begins with data collection and evidence based analysis and moves on to collective discussion of policy, then decision-making and implementation. Mutual examination by governments, multilateral monitoring of progress and peer to peer dialogue in support of reform are at heart of OECD effectiveness.

The OECD has accumulated a remarkable array of knowledge and expertise across a wide range of issues. For decades, it has contributed to shaping sound social and economic policies both within and outside its membership, with the aim of helping governments and societies reap the benefits of globalisation while tackling the challenges that can accompany it.

Southeast Asia can benefit from the OECD but the OECD needs Southeast Asia as well. This is even more the case in the context of the current economic crisis. The **global crisis** had exposed the paramount challenges of today’s global economy and the remarkable level of interdependence among our nations. Global responses are needed to address the global crisis. The crisis has prompted us to act immediately. We must work together to develop and implement a coherent and effective response to the crisis while ensuring that today’s policies to manage it will not be the source of tomorrow’s problems.

Today, the OECD is working with many countries, including in the broader Asian region. Australia, Japan, Korea and New Zealand are full members; China, India and Indonesia are enhancing their engagement with the Organisation. The overall **participation of the Southeast Asian economies in OECD activities** is on the increase although the intensity of co-operation differs widely across the region. In addition to participation in the regular work of OECD Committees, the co-operation with selected Southeast Asian

economies has recently started to be strengthened in several areas. For instance, Indonesia, Thailand and Vietnam are full-participants in the Development Centre, while Malaysia and Thailand attended the Working Party on Short-Term Economic Prospects that meets biannually under the auspices of the Economic Policy Committee. Co-operation with Malaysia, Singapore and Thailand, has started in the area of environment. Malaysia, Philippines, Singapore, Thailand and Vietnam participated in a global conference on SMEs & Entrepreneurship policies.

We see this Forum in Bangkok as an essential step in the strengthening OECD's relations with Southeast Asia. The agenda of the Forum provides an opportunity for policy dialogue and a sharing of views and experience on critical economic and social aspects of regional integration and cooperation. The Forum should thereby serve as a platform for launching a new phase in the relationship between Southeast Asia and the OECD. We strongly hope that a major outcome of the discussions will be the identification of policy areas where dialogue and co-operation between Southeast Asia countries and the OECD should be further strengthened.

We see ASEAN as a key partner in this important undertaking. Our two organisations have a lot in common and a lot to share. The OECD applauds the recent developments in the ASEAN, such as the ASEAN Vision 2020, the ASEAN Economic Community and the recent adoption of the ASEAN Charter. The OECD supports the goal of economic integration as outlined in the ASEAN Vision 2020, through a single market and production base turning the diversity of the region into opportunities for business and investment to create a stable, prosperous and competitive economic community.

Dear Secretary General Surin Pitsuwan, I am pleased that the co-operation between our secretariats has intensified recently and I strongly believe that the important new missions assigned to the ASEAN open further opportunities for strengthening our relations. You can be assured that the OECD is fully prepared to share with you our experience both with regard to the organisation of multilateral policy dialogue and with regard to policy development in specific areas. I therefore hope that we can work together towards forging a partnership based on mutual interest that fits well within your own strategic orientations.

The OECD fully understands that we must have patience with the pace of reform that suits ASEAN members. Like ASEAN, the OECD is an organization focused on achieving consensus and often that takes time, and we also know well that there is no one size fits all solution to the challenges faced by our economies and societies. A critical first step is to build trust and mutual understanding around a shared vision of our common interests that respects each other's differences. It is in this spirit that we engage in

today's and tomorrow's discussions. We will first cover a wide array of policy areas, which are widely recognized as some of the most critical building blocks for a successful process of regional integration. This should then allow us to discuss concrete and action oriented options to map the way forward and guide the development of our future co-operation. We wish to ensure an open and frank dialogue amongst all participants in each of the sessions. I am convinced that thanks to your active engagement, this Forum will fully achieve its goal and provide a solid foundation for the next step in the strengthening of our relations with Southeast Asia, to our mutual benefit. I look forward to it.

Thank You.