

**REPORT OF THE 5TH MEETING OF THE
COUNCIL OF MINISTERS**

Colombo, Sri Lanka

26-27 August 2004

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Address by

Hon. Lakshman Kadirgamar
Minister of Foreign Affairs of Sri Lanka

at the
Inauguration of the 5th Council of Ministers of
The Indian Ocean Rim Association for Regional Cooperation
(IOR-ARC)

26th August 2004
Colombo, SRI LANKA

Welcome Address by Hon. Lakshman Kadirgamar at the inauguration of the 5th IORARC Council of Ministers' Meeting held at the Hotel Ceylon Continental at Colombo on 26th August 2004

Hon Prime Minister

Hon Ministers

Excellencies

Delegates to the 5th Session of the Council of Ministers of the Indian Ocean Rim Association for Regional Cooperation

Ladies and Gentlemen

It gives me great pleasure to extend to all of you a warm welcome to the inauguration of the 5th Council of Ministers Meeting of the Indian Ocean Rim Association for Regional Cooperation (IORARC). I extend a specially warm to our visitors from abroad. I understand that this session of the Council of Ministers, and related meetings, have attracted the largest participation ever of delegates from the member States of IORARC. The number of visiting delegates has reached the unprecedented figure of 143 comprising government officials and representatives of the business and academic communities of the member States, excluding those from Sri Lanka. In the great tradition of hospitality which is shared historically by the inhabitants of the rim of the noble ocean to which we all belong Sri Lanka opens its doors and its hearts to all of you. Your stay in our country will necessarily be brief but the Government of Sri Lanka will endeavour to the utmost to make it pleasant and comfortable.

It is my pleasure to extend a friendly greeting to my colleague the Prime minister of Sri Lanka who will deliver the inaugural address in the absence abroad of Her Excellency the President of Sri Lanka. The Prime Minister has, over the whole of his parliamentary career, which began in 1974, represented a constituency in the far south of Sri Lanka whose southern boundary is directly washed by the waters of the Indian Ocean. It could be said that he is, in a special sense, a child of the Indian Ocean as he must have in his youth walked and played on and enjoyed the magnificent beach of his electorate. In a direct line from the southern tip of Sri Lanka, where the Prime Minister's constituency is located, to the Antarctic there is no land

whatsoever. Thus, the people of the south of Sri Lanka uniquely experience the vastness, the magic, the majesty and the mystery of the historic ocean that sustains us, the members of IORARC. The Prime Minister has also been, at one time, the Minister of Fisheries. All the rim States have fishing industries. Aquatic resources are among the great treasures of the Indian Ocean. It is a happy coincidence that Prime Minister Rajapaksa is present this morning to deliver the inaugural address at an IORARC occasion.

Ladies and Gentlemen, today my memory goes back to the 5th of March 1997 when the first Ministerial Meeting of IORARC took place in Mauritius where the Charter of our organization was formally adopted. I had the privilege of being present on that occasion. My colleagues of that time are no longer Ministers of Foreign Affairs. Mercifully, all of them are alive. Am I, therefore, a founding father of IORARC? I would prefer the appellation “founding brother”, if I may be permitted to confer a title upon myself. I recall the speeches made by many of the distinguished delegates that morning. They make interesting reading now because each delegation articulated its own perceptions of why IORARC came to be formed, the philosophy of the organization, its place in the existing network of international organizations and the kind of work it was expected to do. Their thoughts were a rich blend of insights which provide for us today, seven years later, a background against which we could reassess the validity of the objectives of the organization as stated in the Charter, measure the progress we have made, and chart a course for the future. I have discerned seven strands of thought in the speeches that were delivered this morning in Mauritius. First, almost all the speakers emphasized the age-old historical bonds that were forged centuries ago between the countries on the rim of the ocean by the seafarers, traders, pilgrims and migrants who have traversed this great ocean from time immemorial. One could sense that the romantic traditions of the ocean, the legends, the fabled voyages of the intrepid seamen of yore, had created an atmosphere in which the rim states sensed a common identity through a shared history. It could be said that IORARC is a revival of historical trading ties in response to the challenge of modern economic imperatives. Second, practical reasons were given for the formation of the Association. The Prime Minister of Mauritius said: (quote) “Regional cooperation is seen as an effective response to the challenges posed by the globalization on the one hand and the setting up of mega trade blocks on the other. This dichotomy may be explained by the fact that countries in various parts of the world have realized that individually they are not big or strong enough to withstand the onslaught of

unbridled liberalization, especially fierce competition through the setting up of strategic economic alliances. There is genuine fear that if developing countries do not adapt to this new situation they may be marginalized.....The Indian ocean region, a major trading and shipping route with several existing and emerging power houses, is one of the largest regions to be left out of this regional integration process Many countries have recognized the importance of the competitive advantage of regions rather than of nation States which are themselves being challenged by the unprecedented progress of science and technology, especially in the areas of telecommunications and finance. It is against this background that we must consider the importance of setting up IORARC One of the very important functions which IORARC will serve is to bring some who have hitherto felt isolated into the current of regional and world economic development” (unquote). Third, many speakers while emphasizing the disparate status in terms of size, population, resources and development of the rim States and the absence of contiguity saw, amidst this diversity, a range of complementarities which could be tapped. It was argued that one good way to maximize these complementarities was to explore new areas of cooperation not undertaken elsewhere. The work programme IORARC should not duplicate what is being done in other regional fora. The aim should be not to create competing processes with other regional fora but to promote intra and inter-regional cooperation. Fourth, it was observed that although members of IORARC already belonged to other regional blocks such as the Association of South East Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC) and the Southern African Development and Economic Cooperation group (SADEC), overlapping membership of this nature was not an obstruction to, or a distraction from, the implementation of IORARC activities, but rather a welcome source of enrichment in terms of ideas and experience. Fifth, the imaginative and innovative composition of the IORARC structure – that is to say, governments the business communities and the academic communities working together was seen as a source of special strength in the increasingly interdependent modern world. Many speakers recognized the business community, in particular, more than governments, as the engine that would drive the economic activities of IORARC. The academic group was seen as the think tank that would help to conceptualize and articulate ideas for projects supported by sound research. Sixth, some States suggested that IORARC should proceed slowly at a measured pace. The submission by one Foreign Minister was that (quote) “our grouping comprises a range of economist that are developing at different rates. Our future steps must therefore be at a pace that is both comfortable for the less mature economies and also

satisfactory for the more developed ones. There need be no embarrassment in modest beginnings. A regional forum like this one takes time to develop. Increased contacts and interaction will gradually, build comfort levels and instill confidence. A small but effective and realistic start will stand IORARC in good stead for the long run. Only, when we are more familiar with each other can we start to take bigger strides and quicker steps in a more coordinated and concerted” (unquote). Seventh, it was agreed that the IORARC secretariat should start small and develop incrementally as the organization generates a work programme that warrants a larger secretariat.

Seven years down the road from Mauritius let us look at the IORARC balance sheet – what has IORARC done, what has it failed to do, what more should it attempt to do in the future. I do not intend to survey the work of seven years. Suffice it to look at the situation as it stands in August 2004 in terms of projects in hand, projects that have been dropped and projects in contemplation. The academic group has five projects in hand. They are a report on Trade and Trade Related Economic Cooperation in the IORARC Countries in respect of which the comments of member States are expected in October 2004; a study of Systems of Management Education in respect of which observations are expected by September 2004; a cheme for Integrated Coastal Zone Management in respect of which an estimate of costs of a revised project proposal is awaited and a suitable source of funding is being sought; a study of Tourism in IORARC Countries which will be merged with the project for Tourism Promotion and Development being undertaken by the Business Forum in order to avoid duplication; a study on the Impact of Socio-Cultural Factors on Productivity which awaits feedback from the relevant parties by the end of October 2004. A study on the Prospect for a Sub-Contracting Network through Small and Medium Enterprises has been dropped and a study on the Institutional Mechanism for Promoting Intra- Regional Investment and Trade in Strategic Centres has been put on hold until further information is obtained. Similarly, workshops on WTO issues on Information Technology and E-commerce and Trade Facilitation have been deferred due to the evolution of the WTO negotiations. A contemplated project for Promoting Trade Generating Foreign Direct Investment among IORARC Countries with Special Reference To Intra-IORARC Sources Of Outward Investments has been withdrawn due to lack of response, while funds for a study on the Sources of Pollution and Distribution Mechanisms and their Impact on the Marine

Environment of the Indian Ocean are being sought. A proposed project on Dialogue Among Civilizations in the IORARC Region has been withdrawn due to lack of response.

The Business Forum has seven projects in hand – Cooperation in Standards and Accreditation where an end of September 2004 deadline has been agreed for all member States to respond with information on standards and accreditation, legal act metrology and measurement traceability. Some States have already responded. It has been agreed that the recommendation for the setting up of a shippers Council be implemented as proposed by the Ministers' Meeting last year with the participation of the countries which agreed to join the Council. A presentation has been made on a North-South International Transport Corridor which is aimed at increasing the volume and effectiveness of sea transport among the member States. Progress has been reported on the Tourism Promotion and Development Project. A sub-committee of six countries has been appointed to work on the proposal and study the details. The Business Forum has been invited to a Science and Technology Workshop that will take place during the International Innovation, Science and Technology Fair which is to be held in South Africa in November 2004. A concept paper dealing with Opportunities for Construction Projects will be exchanged on corporate governance in member States.

The Working Group on Trade and Investment has reported progress on a Fisheries Directory for IORARC States. The first meeting on the Fisheries Project will be hosted by Oman in December 2004. The development of compendia on Quarantine Requirements for Animals and Plant Products and on Customs Procedures has been postponed for lack of response from member States, whereas the development of a compendium on Investment Regimes has seen some movement. Ten member States have provided the required information. The study on the supply of Oil and gas Investment capacity and Requirements awaits information from fourteen member States, only four having responded so far. A study on International and Regional Trade Developments is in hand. A core group of four States has been appointed to complete the feasibility study on a Preferential Trade Agreement for IORARC. Progress on Intra-IORARC Trade Data Investment Flows and a draft framework agreement for the purpose of establishing a preferential trade agreement have been prepared. The comments of members States are awaited.

It is clear that a fair amount of time and effort has been devoted by member States and their academic and business communities to the preparation of various papers, studies and project proposals. It could fairly be said that on the conceptual side IORARC's record of activity is impressive. But two questions arise: first, are project proposals proliferating without regard to focus and priorities; are we indulging in a frenzy of intellectual activity, churning out papers, studies and proposals, in the hope, or even the naïve belief, that the public would accept a plethora of papers, albeit well conceived and well crafted, as an acceptable substitute for achievements on the ground; second, are there too many project proposals lying around any reasonable prospect of implementation.

I have some thoughts to offer on these matters. First, going back to the observations made at Mauritius in 1997 it seems desirable in the light of seven years of experience that projects should be selected primarily for their prospects of yielding early results. The constraints that most member States suffer from, especially the paucity of skilled personnel to handle IORARC matters in addition to a host of other international obligations, must be taken into account. Too much in hand often results in too little accomplished. Second, our experience is beginning to reveal, what other regional organizations have already realized, that it is not possible for all States to participate with equal enthusiasm in all the conceptualized projects laid before them. It would be better to accept the fact that in practical terms projects should be formulated bearing in mind the possibility that initially only a few like-minded countries would join in their implementation because their own internal national interests would be served by participation in the project in question, leaving it open to the other member States to join the project later, if they so desire. Third, a number of projects are not moving due to poor participation by member States at meetings held for the consideration of projects. This may well be because the project in question does not appeal to the membership as a whole. The answer to that problem might well lie in the acceptance of the principle I have just enunciated – that projects should be designed for participation by a few like-minded States in the first instance. Fourth, the quality of debate and discussion at project meetings should be enhanced and would, I think, be enhanced if a greater degree of participation by the dialogue partners were to be allowed and encouraged by member States. Dialogue partners should in my view be encouraged to participate more fully in the many technical areas in which they have experience and expertise that would be useful to the organization. Fifth, it is a well recognized fact that no inter-governmental organization moves

forward unless there is constant political commitment to its progress on the part of member States. The expertise available in the region cannot be harnessed and deployed usefully unless governments constantly reiterate and unmistakably demonstrate their commitment to the organization. Political commitment to the growth of an inter-governmental organization which is manifested off and on serves no purpose. Political commitment has to be sustained and irreversible if its impact is to be felt on the work of the organization. Sixth, one of the new phenomena which has emerged on the international scene is the concept of accountability – by States to their citizens and also corporate entities to the citizens of the States in which they operate. The popular movement for accountability and transparency has already generated a momentum that cannot be denied. In parliamentary democracies all political parties know that they must take account of the needs and aspirations of the so called ordinary man and woman, for no other reason, if one takes a cynical view, that they – the people – hold and wield an extraordinary weapon – their votes – which could at any time be used, and have been used, to turn out governments that do not heed their needs and aspirations. Seventh, it is still the view of member States that the Secretariat should not be enlarged; rather the States would wish to see the existing secretariat rising, almost impossibly, to the daunting challenge of re-invigorating the organization even without adequate personnel and resources. This is undoubtedly a huge burden placed on the secretariat. They are being called upon with the services of a few to do the work that needs to be done by many. At least, we must acknowledge the fact that new financial arrangements should be made by member States for funding the secretariat collectively in respect of salaries paid to the key officials if the secretariat is to act independently and vigorously. Eighth, I would like to add a special comment about the role of the Business Forum in the work of IORARC. When businessmen travel to attend meetings it is only natural that they should seek to combine their official work with the search for opportunities to advance their own business. The member States must recognize the fact that business works on the principle of incentives. The business community maximizes the use of time. Time wasted is income lost. We the governments of member States must try to understand how business works. We must encourage our business community – let us not forget that they are an integral part of the IORARC structure – and provide them, to the greatest extent possible, with the facilities to develop networks of business associations in our member States. If our respective business communities, when they attend IORARC meetings, could interact with other business communities over their own business it is likely that they will provide enhanced dynamism for the work of the IORARC

Business Forum. Ninth, let us look a fact in the face. What is it really, that holds IORARC together? Is it not the Indian Ocean itself? Is that fact not the ecentral reality to which our members belong? If the Indian Ocean is the controlled exploitation of the ocean our central, over-arching project?

Ladies and Gentlemen, I would like to close these observations as I began them – with a reference to the first Ministerial Meeting in 1997. In my view the member States must at this moment in the history of IORARC, when its early promise is perhaps belied by the harsh realities of the modern economic world, support the organization with an infusion of fresh political commitment. This organization belongs to the member States. They have built a valuable structure for cooperation with the inclusion of the academic and business communities. If the organization falters or fails it will be because the member States had by default, let that happen. Let us be frank with ourselves. Either the organization is worth preserving, in which case it is worth promoting and sustaining, or it must be allowed to wither away and die. I believe strongly that the vital spark of life remains in the organization; it requires to be fanned and fuelled. Only we the member States, in association with our academic and business communities, can do that. The rest of the world has no interest in keeping us alive. We must remember that our peoples are watching us. They will be entitled to ask us to render an account of what we are doing. That account cannot be denied to the people. Therefore, I say let us go forward with renewed optimism. I hope very much that the spirit of Mauritius in 1997 will go forth from Colombo in 2004.

END

Address by

Hon. Mahinda Rajapaksa
Prime Minister of Sri Lanka

at the Inauguration of
the 5th Council of Ministers
of the
Indian Ocean Rim Association for Regional Cooperation
(IOR-ARC)

26th August 2004
Colombo, SRI LANKA

**Hon. Ministers
Excellencies,
Delegates to the 5th Meeting of the Council of Ministers
Ladies & Gentlemen,**

It gives me great pleasure to inaugurate the 5th Meeting of the Council of ministers of the Indian Ocean Rim Association for Regional Cooperation. Let me first of all join with Hon. Lakshman Kadirgamar, Minister of Foreign Affairs of Sri Lanka, in extending to all of you a very warm welcome to Sri Lanka. This welcome, in the long-standing tradition of our island nation, is extended to all those who touch our shores from countries around the Indian Ocean. I wish you an enjoyable stay in Sri Lanka and a fruitful outcome of your meeting.

The Indian Ocean Rim forms a distinctive geographical area comprising the coastal States bordering the Indian Ocean. It is a region of much diversity in terms of culture, race, religion and economic development as well as strategic interest. This area links the shores of three distinct continents of the world, Africa, Asia and Australia. In ancient times, the Indian Ocean was the hub of international trade when merchants and seafarers from Arabia on the western shores and from China in the Pacific Ocean traversed and dominated the trans-Indian ocean trade. Yet, our ocean waters remained unsullied by the degrading slave trade in the old days. The message of compassion and loving kindness was spread across this region by one of the greatest sons of South Asia, the Buddha, promoting the concept of peaceful coexistence and the path to happiness and contentment.

In this historical backdrop, the IORARC was established with seven member States in 1997 to promote trade and economic cooperation through open regionalism. The members of IORARC are also members of several other regional organizations such as the Association for South Asian Nations, the Gulf Cooperation Council, the South Asian Association for Regional Cooperation and the South African Development Community. These cross linkages would assume, add value to the work of the organization.

Your main focus of promoting trade liberalization and investment facilitation as well as economic and technical cooperation is indeed praiseworthy and could, with some imagination and courage, be further expanded. In this context, it is no surprise that the membership of the Association has now reached 18, up from the initial 7. Nevertheless, the vastness of the Indian Ocean Rim and its diversity poses formidable challenges that require constant assessment and reassessment of the aims and objectives of the organization.

There are several major social and economic concerns that affect most countries in IORARC. Poverty remains an issue that requires our serious attention. An essential element in the fight against poverty is the attainment of a high level of economic development. Unemployment and low income remain the foremost among the reasons that contribute to poverty. According to the latest UNDP commissioned Report, poverty is still a major issue, particularly in rural areas.

In Sri Lanka, 70% of our people live outside cities. Our Government is committed to reduce, if not eliminate, poverty in the country. Our national development strategy is designed to support those sectors that can effectively create new capacities and channel development assistance to

capacity-builders to reduce poverty and energize our economy. We are mindful of the need to reach out to the village, to make the villager a part of the globalization process with a caring and sharing approach. It is in this context that we look towards your Association, IOR-ARC, to work together with a view to achieving economic and social emancipation for all our peoples on the rim of the Indian Ocean.

Since our independence, Sri Lanka has invested heavily in our people. Our record of achieving high literacy and higher life expectancy are the results of long years of State-funded education, health and other community services at rural and national levels. Today, the human resource capacity thus developed remains a valuable asset, ready to be utilized to achieve progress and development not only in our country but in other lands as well.

Industrialization and market access are among the better options to tackle the problem of unemployment, the absorption of skilled manpower and labor resources. There are complementary factors in the economic and technological capacities of IOR-ARC member States, which should enable them to work collectively to help each other. Some of the IOR-ARC member States have the capacity, especially the technology, others, the capital and the markets, some others the raw materials and yet others the human resources from which all our member States can benefit. This offers a golden opportunity for the success of shared responsibility.

For instance, Sri Lanka's present industrial output mainly consists of apparel and jewellery. The raw materials for the apparel and jewellery industries come, to a large extent, from overseas and some sources of raw materials lie within member States of IOR-ARC. This situation demands that we adopt regional accumulation principles, both in trade and investment and even in services that will enable us to survive as competitors in the global markets. Moreover, foreign investment and technology transfer will beget more development activities leading to enhanced capacities for trade which will promote growth in economies in all our countries. These are all win-win situations for all IOR-ARC countries. What we require is the political will, imagination and courage to make our cooperative endeavours succeed.

Excellencies, Ladies and Gentlemen, IOR-ARC is essentially bounded by the Indian Ocean. Hence, it is implicitly recognized that the ocean is not only our link but our lifeblood too, as all of our shores are washed by the Indian Ocean and its adjacent seas. But what have we done collectively to harness this seemingly limitless resource? In this regard, permit me to highlight my personal commitment to this issue for long years. In my maiden speech on my entry into the Parliament of Sri Lanka, 34 years ago, I had the honour of moving the Vote of Thanks to the then Governor-General for presenting the policy statement of the Government of the late Madam Sirimavo R D Bandaranaike, the world's first woman Prime Minister.

As a youth at that time and representing a Southern electorate, I said that the fisheries industry should be developed in order to bring hope and a new lease of life to the fisher folk, and that shipping should be developed with re-commissioning of the abandoned harbours in the South of Sri Lanka. These ideas still remain valid and must receive your attention as States in the Indian Ocean. Our ports offer an area of opportunity for both Sri Lanka and the other IOR-ARC member States. I am aware that some work has been initiated in the areas of shipping as well as Fisheries. I believe that you will be able to muster the political will to lead your deliberations towards early realization of projects in these fields. Greater cooperation in Shipping

will no doubt greatly contribute to reducing the cost of transport and act as a catalyst to increase trading within the region.

Excellencies, Ladies and Gentlemen, your deliberations should not only bring hope and optimism that life tomorrow will be better than life today; but we should transform our rhetoric into meaningful action that will make a better tomorrow for all, in particular for the village and to those on the periphery of our societies. The effects of regional cooperation, reflecting your efforts, must be felt by the ordinary man and woman. That would be the yardstick of success of your common endeavours.

Once again, I wish you all in your deliberations and a pleasant stay in our country.

Thank you.

IOR-ARC COUNCIL OF MINISTERSs MEETING
26 August 2004

CHAIRMAN'S REPORT

I have the pleasure to present my report as Chairman of the Council of Ministers at the Fifth Council meeting. This covers some relevant aspects since the last meeting in October 2003 in Colombo.

As you are aware, I assumed the responsibilities of Chair of the IOR-ARC Council of Ministers in April this year, following my assumption of office as Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka, the current Chair of the Association.

{Word of thanks to the former Minister of Foreign Affairs and Chairman of Council Mr Tyrone Fernando}

At the last meeting, you have agreed for a renewed partnership to further develop and indeed, deepen the areas of our co-operation programme. We committed ourselves to work towards a strong and result oriented IOR ARC.

The High Level Task Force (HLTF) report was adopted by the Council last year. This report reflects a number of measures to address various issues which, among others include, the future direction of the IOR-ARC, the organisational structure of the Co-ordinating Secretariat, Funding, the Rules of Procedure, the appointment of the Executive Director and the staff, the role of Dialogue Partners and the Observer, the creation of a "Special Fund" for the execution of our programmes and a higher international profile for the IOR-ARC.

I have no intention to re-open a debate which you have already successfully concluded last year on these issues where a series of recommendations have been made. It is however, important to remind ourselves that the next crucial stage is the timely implementation of the recommendations in the report. You will therefore, agree with me that the time has now come to apply those recommendations.

We have also agreed to review the funding formula for Member States contributions for the Co-coordinating Secretariat at the Council's October meeting. The matter was again taken up at the meeting of the Ministerial Troika in November. Various options have been worked out and some concrete proposals have been made. We shall be discussing this important matter today, and I remain hopeful that we still come up with an arrangement that will be in the best interest of the IOR-ARC.

Linked to the funding formula, there is the budget of the Co-ordinating Secretariat. Last year, the Council approved a budget of USD 119,955 for the year 2003, which means a contribution of USD 6,700 per Member States. The budget for 2004 was deferred and would be considered with the budget for 2005 at this meeting. By all means, we must give the required resources to the Organisation for it to function effectively and productively, while at the same time applying the right checks and balances to respect the principles of transparency and accountability.

I do note that since 1997, the year the Co-ordinating Secretariat was set up, six Financial Statements have been prepared together with the Auditors report thereon. The last Statement covers the period 01 January to 31 December, 2003. On this important issue, we are not in arrears and there have been no delays.

Over the past few years or so, we have discussed several sound projects and programmes which fit in the overall agenda of the Rim, and are in line with the spirit and objectives of the Charter and the broad principles of the IOR-ARC.

There remains, however, the undisputable fact that implementation has not been satisfactory for various reasons. There have been serious delays in terms of project start-up dates, delays in the decisions making processes and thereby delays in implementation. I am also informed that various meetings, workshops and seminars on different subjects already identified and approved have either been postponed or simply abandoned. This is a very unsatisfactory situation, which does not augur well for the IOR-ARC.

On a more positive note, we have seen the publication of a Special Souvenir Magazine, commemorating the 7th year of existence of the Indian Ocean Rim Association for Regional Co-operation. It does not contain many very useful information on the profiles of Member States, the Principles and Objectives of the Organisation, its functioning and the challenges and opportunities.

The Council now meets every year as against every two year prior to 2003. Our Senior Officials, the Business Forum, the Academic Group and the Working Group on Trade and Investment meet every year. There is a full time Co-ordinating Secretariat based in Mauritius.

In view of our seven years of experience and taking into consideration what we have been able to achieve and, more importantly, what we have not been able to achieve and, more importantly, what we have not been able to do, we may need to revisit some fundamental issues pertaining to our objectives and aspirations. I have already spoken on some of these issues at the inaugural sessions. I look forward to listen to your views.

STATEMENT BY THE MINISTER OF STATE FOR EXTERNAL AFFAIRS
HIS EXCELLENCY MR. E. AHAMED

(5TH MEETING OF THE COUNCIL OF MINISTERS OF IOR-ARC, COLOMBO, SRI
LANKA)

AUGUST 26, 2004

Mr. Chairman

Excellencies, ladies and gentlemen,

Let me, at the outset, convey my warm appreciation to the Government, and people of the Democratic Socialist Republic of Sri Lanka for the gracious hospitality extended to me and my delegation and for the excellent arrangements made for our meeting in Colombo.

2. This is the second consecutive year that Sri Lanka is hosting the Council of Ministers meeting, as a result of the last Council meeting's decision to have annual ministerial meetings. The purpose was to give impetus to our organisation's activities. Judging from the progress we have made since the last Council meeting, this appears to have infused some life into IOR-ARC. I wish to congratulate you, Mr Chairman, on your leadership and shouldering the onerous responsibility of taking our organisation on a rapid growth path.
3. In the letters you have addressed to us in recent weeks, we find a candid review and appreciation of the ground realities in the 7 years of IOR-ARC'S existence. It needs to be provided greater substance, only when we show real progress, would we be noticed and listened.
4. We can derive much satisfaction from the deliberations carried by our Senior Officials over the past two days. They have discussed the administrative and budgetary concerns. The recommendations they have made for our considerations are practical and reflective of the need of the hour. We need our Secretariat to be assured of all the logistical and budgetary support so that we can demand commensurate results from it. I wish to place on record my delegations high appreciation for the generous financial contribution Mauritius has made all three years in the running of the Coordinating Secretariats at Port Louis and the performance of the outgoing Director, Mr Dusoruth, in running the affairs of the Secretariats.
5. At this juncture, let me also express my good wishes to Ambassador I.Z.A Samsudeen, the incoming Executive Director of the Coordinating Secretariat, for a successful term. We hope that you will closely monitor the implementation of the many activities and projects proposed by the Academic Group, the Business Forum and the WGTI.

6. Mr. Chairman, I will be remiss if I fail to mention about the concerns you have expressed in your letter to us on the level of participation from member states and dialogue partners in our meetings. It is reflective of the interest our respective headquarters take in IOR-ARC affairs. I agree that unless there is a matching support from headquarters of every member state, the Coordinating Secretariat or the Working Group alone cannot made much headway. We must therefore, demonstrate the require political will to support the activities of our organisation. As you are aware Mr. Chairman, our parliament is currently in session but in difference to your sentiments, I chose to be present at this important meeting.
7. Friends, we need to develop projects or commission studies that provide tangible benefits to Member states and dialogue partners. Only then can we expect a matching level of interest from headquarters. The recommendation of the three working groups should have practical applications and facilitate conduct of trade, economic and other cooperation activities between us.
8. Foe example, we should organise workshops on issues having direct relevance to our trade and industry sectors or for our developmental activities or for the good of civil society. There are many areas where we can benefit by sharing each others development experiences, technologies, traditional knowledge or best practices. India would be happy to organise such mutually beneficial workshops and cover local costs. But unless there is commitment of participation from at least a simple majority of our membership, the enthusiasm gets diluted. This was our experience earlier this month when we hosted the 2-day IOR-ARC e-commerce Round Table in Delhi.
9. Yet another project of relevance to all Member States with high growth potential relates to the tourism sector. I am glad Mr. Chairman that you also hold similar views on this matter as was evident in our informal discussions last evening. Our country has vast potential in attracting tourism and rather than depending on tourists from developed world alone, we need to promote intra regional tourism. I am prepared to request the Ministry of Tourism of India to organise in India a workshop of travel trade and tourism industry representatives of the IOR-ARC Member States with back to back meeting of tourism ministers.
10. Mr. Chairman, in assessing the achievements of our organisation, we must also take into account the fact that we are a diverse group of countries coming from different geographical locations, different levels of economic, development and belonging to our respective regional grouping. But then we can have also the Indian Ocean that sustains the maritime lifeline of over 50% of world trade and binds us together. We should encourage the three working groups – the Academic Group, the Business Forum and the Working Group on Trade and Investment (WGTI) to come forward with such tangible proposals as would have relevance and interest for a majority of our membership.
11. I am glad that such an approach has been proposed by the WGTI with regard to the Preferential Trade Agreement. We should be happy to support all trade and investment promotion activities and facilitation measures.
12. Mr. Chairman, the private sector in India has made a significant progress in recent years. Our knowledge industries have created its own brand image. This is attracting major global corporations to invest and locate in India. At the same time, the Indian private sector is also looking for investment opportunities overseas. We have to be candid in admitting that the private sector corporations would invest in any legitimate

business or economic activity in any location globally where they find commensurate returns on, and security of the investments. The Government of India is ready to facilitate private sector investments in IOR-ARC member states for mutual benefits.

13. Before I conclude, let me express Mr. Chairman, my delegations commitment for extending full support for carrying forward our young grouping on the path of rapid growth. I have no doubt that our deliberations under your mature leadership would help us arrive at concrete decisions in this regard. Thank you, Mr. Chairman.

In the name of God, the Almighty

**Honourable Mahinda Rajapaksa, the Prime Minister of Democratic
Socialist Republic of Sri Lanka
Lakshman Kadirgamar, Minister of Foreign Affairs of Democratic
Socialist Republic of Sri Lanka**

Ladies and Gentlemen

Colleagues and Friends

At the outset, allow me, Honourable on behalf of all the representatives of member states and of course, on my own behalf to express our sincere and heartfelt appreciation for the very warm hospitality extended to all of us.

During last two years, Sri Lanka as the Chair of the Indian Ocean Rim Association for Regional Co operation has done everything in its power to promote and further the interest and objectives of our organisation and it is due to your relentless efforts that suitable grounds have been prepared for the future achievements.

The discipline and punctuality with which meetings of various Working Groups and Committee of Senior Officials were held is simply one of the indications of the organization of your team. We are profusely thankful for your leadership and guidance in this regard.

Presence and participation by your able and relevant senior officials at various meeting made the deliberation free flowing and contextual. This clearly show the political will of your Government in assisting this young grouping to graduate quickly and effectively.

The invitation from you, Honourable, aptly followed up by your team could catch the attention of all member countries represented here. I would urge my colleagues from all the member nations to shoe the same degree of earnestness in attending the sixth meeting of Council of Ministers and other related meetings to be held next year in Tehran, Iran.

I believe that at this stage we have to congratulate Sri Lanka for the great contribution she gas made to develop the organization of our grouping. Adequate time and energy has been put to this end. Now it is the high and right time to embark on the implementation of priority projects on a fast track basis. The organization developed at this stage laid appropriate ground for the project driven stage to boost the cooperation and image of our grouping.

At the end, Honourable, I do wish to take this opportunity and once again on behalf of all the member delegates and on my own behalf thank you for the excellent hospitality extended to all of us.

**Address by H.E. Mr. S.M.H. Adeli, Ph.d
Deputy Foreign Minister of the Islamic Republic of Iran**

In the Name of God

**Honourable Chairman,
Honourable Ministers,
Excellencies,
Distinguished Colleagues,
Ladies and Gentlemen,**

I'm very pleased to have the opportunity to address, on behalf of my country, this sincere and august meeting of the Council of Ministers of IOR-ARC. I would like to, at the outset, to express my appreciation to the friendly Government of Sri Lanka for the excellent arrangements made for this great event. I hope this meeting will succeed to take another step towards the attainment of the lofty objectives of this body.

**Mr, Chairman,
Distinguished Colleagues,**

I am happy to note that IOR-ARC has managed to lay down the framework and formulate the programs needed for the achievement of its objectives in the course of the years since its foundation. Fortunately, the IOR-ARC member states, benefiting from a strong political will as well as the required economic potentials, can create the necessary strength and instruments for the accomplishment of their goals. I am personally convinced that this meeting of the Council of Ministers provides a good opportunity for the appraisal of the trend of activities of IOR-ARC and formulation of appropriate policies and strategies for the continuation of cooperation among the member states in accordance with the new world conditions. Since as you are all aware, one of the distinctive characteristics and challenges of our new century is the intensification of globalisation process which is sweeping all over the globe in such a way that its impacts and consequences have transcended many political, economic and cultural boundaries and brought states and nations closer than ever before.

Though this process can potentially contribute to the economic growth and comprehensive development of developing countries, it may, at the same time, prove quite detrimental if associated with monopolistic and unilateralistic approaches.

Distinguished Colleagues,

What I would like to stress here is that with the foundation of IOR-Arc, the required framework and cornerstone for cooperation and coordination among the member states have already been

laid and the continuation of this cooperation seems now indispensable in view of the current situation of the world.

As overall review of the international economic development in recent years reveal that efforts aimed at bringing countries closer together through the formation of economic groupings follow a global trend.

Regionalism has now emerged as the driving force behind the world trade. Establishment of regional and trans regional economic grade areas reciprocal customs arrangements, preferential tariffs and free trade zones have increased intra regional trade, leading to the growth of the world trade. We believe that regional cooperation can significantly contribute to the expansion of trans-regional and international trade.

Cultural, social and economic commonalities, as a rule, play an effective role in the configuration of regional cooperation. But the establishment of IOR ARC has proved a step beyond regional cooperation and has projected new horizons and prospects before the member states since this body consists of countries at varying degrees of economic development which can as complementary economies, forge wider economic links and closer cultural interaction amongst themselves.

***Mr Chairman,
Distinguished Colleagues,***

One of the objectives of IOR ARC is to concentrate on those types of economic cooperation which afford maximum opportunities to meet and develop the common interest of the member states. To achieve this objective formulation and implementation of programs, which help facilitate trade liberalization, encourage foreign investment, enhance scientific and technological cooperation, promote tourism and develop human resources, will be desirable. Therefore the program discussed in specialized groups should not only address this and other objectives of IOR-ARC but they should also meet the interests of all the member states so that all of them will be sufficiently motivated to support such programs.

We believe so far adequate time and energy has been put for organizational requirements. Now it is the high and the right time to embark on the implementation of priority projects on a fast track basis. The organization developed at this stage laid appropriate ground for the project driven stage to boost the cooperation and image of our grouping. Now based on this, it is highly recommendable that we prioritise our projects and select one or two core tasks to function as the main driving force of our cooperation. PTA and tourism could be indicate of such cooperation that would benefit all member states.

***Mr Chairman,
Distinguished Colleagues***

I Islamic Republic of Iran believes that IOR-ARC has the potentiality to become an important world regional organisation of developing countries capable of meeting the challenges of this era and contributing to the progress and objectives of its member states. The achievement of this goal necessitates more consolidation and enhancement of the pillars of our cooperation rather than and any kind of enlargement.

In closing I wish to state that I'm pleased with the successful organization of the 5th meeting of the Council of Ministers of IOR-ARC and extend my sincere thanks and appreciation to the Government and People of Sri Lanka for the warm hospitality accorded to us. I hope that the agreement to us. I hope that the agreements and understanding reached in the course of this meeting can set some practical and realistic guidelines for the economic cooperation and the activities of the private sectors of the member states.

I also wish to declare our preparedness to host the 6th meeting of the Council of Ministers in 2005 in Tehran, and hereby extend our invitation to all of you.

Thank you for your attention.

**STATEMENT BY
H.E JOSEPH SALALANG
DEPUTY MINISTER, MINISTRY OF FOREIGN
AFFAIRS,
MALAYSIA**

AT

**THE 5TH COUNCIL OF MINISTERS MEETING
INDIAN OCEAN RIM ASSOCIATION
FOR REGIONAL COOPERATION COLOMBO SRI
LANKA**

THURSDAY 26 AUGUST 2004

Mr Chairman
Distinguished Heads of Delegation,
Ladies and Gentlemen:

1. On behalf of the Malaysian Delegation, I would like first of all thank our precious Sri Lanka colleague Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka, as well as the Sri Lankan Government for the excellent arrangements and the warm , H.E Mr Lakshman Kadirgaman hospitalities that have been accorded to my delegation and me since our arrival in Sri Lanka, as well as the Sri Lankan Government for the excellent setting and the meticulous preparations made by the Sri Lankan Government for this meeting will undoubtedly contribute towards the success of the meeting
2. I wish to express my appreciation to the Hon, Mahinda Rajapaksa, the Prime Minister of the Democratic Socialist Republic of Sri Lanka as well as the Hon. Hon. Lakshman Kedingamar, Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka, for their excellent and thought provoking speeches delivered at the inauguration ceremony.
3. I note with appreciation that the council of Ministers Meeting has been structured in such a way so as to provide Member States with the opportunity to voice our views and perspective on IOR-ARC and how to visualize the future direction of this regional cooperation in this regard. I believe that our discussions should be centered on addressing the question, and suggesting answers, on how we can concretely move forward in building and enhancing greater cooperation in this region. It is heartening to note that the Committee of Senior Officials have come with proposals on how to implement some recommendations contained in the High Level Task Force Report on how to improve the effectiveness of IOR-ARC.

Mr Chairman,

4. We may have the in place the necessary components for buildings the IOR-ARC but these components, how ever would remain as uncompleted sections we have a clear construction plan, and unless we have a clear construction plan, and unless we start assembling the components to form the desired structure. As it is, the three pillars of the Association namely the officials, academia and business sectors, which have been assigned to carry out specific functions, need to come up with new ideas on how to overcome the lack of momentum in IOR-ARC. Given the cross cutting nature of some of the subject matters being discussed it would beneficial to have better coordination between the three different pillars.
5. Malaysia is of the view that if we are to expect any measure to success there **should not** be a proliferation of new initiatives or projects but instead we should concentrate on a few practical projects but instead we should concentrate on a few practical projects which could be of common benefit to all the members of our Association. However, in circumstances whereby it is difficult for all members to be involved in any given project, due to member states financial and economic ability, we could look into the possibilities of allowing a few like- minded countries to initiate the project. Other countries may wish to join these projects when they are ready to do so. We

- should also avoid any few projects that duplicate the work currently being undertaken in other international or other regional fora
6. We are well aware that in order to embark on any new initiative, the element of funding is crucial. In this regard, we are agreeable to the recommendation made by the committee of Senior Officials to create a “Special Fund” for implementing projects and programs of IOR-ARC. Due to the limited funds available, we should disburse these funds prudently, based on the recommendations contained in the High Level Task Force Report.

Mr Chairman, Distinguished Colleagues,

7. As for the participation of the Dialogue Partners and Observers I am supportive of the proposals made by the Committee to amend the Rules of Procedure of IOR ARC to allow Dialogue Partners and Observers to attend the Working Sessions of the IOR-ARC. This proposal is a step forward for IOR ARC and I would like to encourage the Dialogue Partners and Observers to play a more active role in the implementation of IOR ARC initiatives and projects through the provision of necessary financial and technical assistance, where possible. We encourage the Dialogue Partners to enhance their participation in IOR ARC initiatives and projects through the provision of necessary financial and technical assistance, where possible. We encourage the Dialogue Partners to enhance their participation in IOR ARC including the possibility of the contributing to the “Special Fund”.
8. The Malaysian delegation would like to express our gratitude to Mr. Dusoruth the outgoing Executive Director of the IOR ARC Coordinating Secretariat for his tireless and effective work. We welcome the appointment of the new Executive Director, Mr Tuan Zarook Amjadeen Samsudeen. I am confident that the new Executive Director will be capable of continuing the good work in managing and maintaining, if not improving on the commendable work of the Coordinating Secretariat.
9. I wish to express our appreciation to the Government of Sri Lanka for its able and excellent Chairmanship of the IOR-ARC and we look forward to the Islamic Republic of Iran taking over the stewardship of the organisation at the next Council of Ministers Meeting Teheran in 2005.
10. In conclusion Mr, Chairman, I wish to iterate that there is definitely a need for the people of the IOR ARC countries to have a better knowledge and understanding about each other, particularly in terms of societal norms and national cultures to enable us to fully benefit from this rich diversity and at the same time accruing political and economic dividends from such a diversity. Malaysia would like to IOR-ARC as a successful regional endeavour and we are ready to extend our cooperation to our partners in the Association to achieve this goal.

Thank you

REPUBLIC OF MOZAMBIQUE

**Statement
by
H.E. Dr. Leonardo Santos Simao,**

**Minister of Foreign Affairs and
Cooperation of the Republic
Of Mozambique at 5th IOR ARC**

Council of Minister

REPUBLIC OF MOZAMBIQUE
Statement by His. Excellency. Dr. Leonardo Santos Simao
Minister of Foreign Affairs and Cooperation of the Republic
Of Mozambique at 5th IOR ARC Council of Ministers

Hon. Lakshman Kadirgamar
Minister of Foreign Affairs of Sri Lanka and
Chairman of the IOR-ARC Council of Ministers

Dear Colleagues,

Distinguished Dialogue Partners

Dear Delegates,

Ladies and gentlemen

Allow me at the outset to congratulate the Government of the Democratic Socialist Republic of Sri Lanka for convening this important gathering and for the warm hospitality my delegation and myself have enjoyed since our arrival in this beautiful capital Colombo.

May I also take this occasion to join the previous speakers in expressing our high appreciation to the Chairperson for the able skilful and dynamic manner in which you have been conducting our work, indeed your leadership and competence have contributed for the strengthening and revitalization of our organization over the past year.

Excellences,

Indeed, the convening of this meeting it's an opportunity to exchange among ourselves, experiences and share views on how we should make use of our common development goals. We are encouraged by the perspectives for progress and what we have achieved since our inception, give us strong hope for further co-operation among the member states of our Association.

It is within this context that I commend the decisions taken by Member States during the Ordinary Session of the Council of Ministers, hold October last year. Today there is no doubt that those decisions played an important role in enhancing the Organization structure and work. They gave some light and guidance.

However, for further consolidating our Regional Association and Cooperation, Mozambique stands for approaches that lay out long term arrangements. Because those mechanisms allow more stability, coherence and continuity, they are determining factors for far reaching concrete results and sustainability.

For this far reaching concrete results approach, IOR ARC must be able to adapt itself to the new challenges, namely those imposed upon us by globalisation by the implementation of Millennium on Partnership.

It is based upon the above mentioned broader view that Mozambique join the consensus built up within our Association for more and active participation of Dialogue Partners and the Observers in IOR ARC scope of activities. Being generally accepted that, through technical assistance and project financing, they should be associated with IOR-ARC sectors, mainly those responsible for Trade, Tourism and Investment.

Along with the Dialogue Partners relationship IOR-ARC should value the tripartite approach of programmes, which through “Win Win “ solution provide appropriate space for interaction between Governments Academics and Business Communities. This broader “modus operandi”, not only carries on full participation of various sectors of our societies in our endeavour towards Indian Ocean Zone development, but also reinforces our project development and project implementing capacity: thus contributing for concrete results that will certainly give more internal and external visibility and credibility of IOR-ARC.

Excellences,

Before winding up my remarks let me stress that within today’s world Globalisation to develop and increase institutional relationship with other regional organization such as ASEAN, African Union, the European Union and others, with the propose of fostering intra and inter-regional cooperation as well as for mobilizing resources and expertise for IOR-ARC projects:

The cooperation with other institution will also help to strengthen global harmony and attract meaningful interest in the settlement of regional conflicts thus contributing to make our region safer.

Lastly, I would like to express Mozambique’s Government willingness in continuing working with all Member States, with the Dialogue Partners, the Observers and other stakeholders towards the achievement of the objectives we all strongly stand for.

Thank you, very much!

Colombo, 26th, 2004

**Address by H.E.Mr.S.M.H.Adeli, Ph.d
Deputy Foreign Minister of the Islamic Republic of Iran**

In the Name of God

Honourable Ministers

Mr Chairman,

Distinguished Colleagues,

Ladies and Gentlemen:

Let me first of all and once again express my gratitude for the hospitality accorded to us and the excellent arrangements made for our meetings. Fortunately we witnessed important and tangible achievements during the chairmanship of Sri Lanka. Here I would like to thank the Government of Sri Lanka for its construction efforts in promoting the IOR-ARC cooperation during the chairmanship.

I would also like to express my appreciation to the outgoing Executive Director and his colleagues and welcome the new Executive Director from Sri Lanka.

It is an honor and privilege for the Islamic Republic of Iran to assume chairmanship of IOR-ARC for the next period. We hope to be able to conduct the responsibilities put on our shoulder to the best possible manner. Iran is assuming such sensitive responsibilities at a juncture where we all agree that a project driven attitude should prevail and also dominate throughout our activities. We believe that the future of our organization is very promising and I am confident that with political will and the enthusiasm exist for developing closer cooperation we will be making our Organization a dynamic and example one. In this regard we count on full and sincere cooperation of all member states to this end.

In conclusion, once again, I would like to extend our invitation to you and all the delegates to attend Tehran Meeting the 6th Meeting of the Council of Ministers - 2005

Thank you

STATEMENT BY H.E. AMBASSADOR EVA L. NZARD
HEAD OF DELEGATION OF THE UNITED REPUBLIC OF TANZANIA TO THE IOR-
ARC COUNCIL OF MINISTERS
MEETING, COLOMBO 26 AUGUST 2004

Your Excellency,

Chairman of the IOR-ARC Council of Ministers,
Honourable Ministers and Heads of Delegation,
Executive Director of IOR-ARC Coordinating Secretariat,
Ladies and Gentlemen:

I wish on the outset to express our regret for the absence of my Minister in this August meeting. His absence has been necessitated by other commitments at National level that required him to stay behind.

Mr. Chairman,

1. Having said this, allow me to express my gratitude and appreciation for the warm welcome and hospitality accorded to my delegation since our arrival in Sri Lanka and in this beautiful city of Colombo.
2. I congratulate the government of the Democratic Socialist Republic of Sri Lanka for hosting once again another IOR-ARC Council of Ministers in less than one year. Definitely this is not an easy task. We appreciate the excellent arrangements put at our disposal for the smooth conduct of the meeting.
3. My appreciation is as well extended to the Executive Director of the IOR-ARC Coordinating Secretariat and his entire staff and all those Sri Lankan citizens working behind the curtains for the success of our meeting.
4. Last but not least, wish to congratulate the Republic of South Africa for being elected the Rapporteur of this August meeting.

Mr. Chairman,

5. My delegation wishes to congratulate you for the excellent and detailed report which to some of our stands to be a guideline on the various projects that need to be undertaken by our organization. As reflected in your report, a lot more need to be done if IOR-ARC I is to achieve its desired goals. IOR-ARC Member States have set some programmes and projects to be implemented. The ultimate goal of these programmes and projects is to raise living standards of the people in region.

We can only achieve the noble task if Member States are willing to work together, and use available resources and opportunities to

Increase and strengthen intra trade and investment in the IOR-ARC region.

6. Allow me chair at this juncture to reiterate Tanzania's commitment and desire to work closely with other IOR-ARC member countries in the implementation of its work programmes so that the desired goals are achieved.

We wish to commend the well-done job by the outgoing Executive Director and wish success the incoming Executive Director.

I once again wish the meeting successful deliberations

I THANK YOU.

August 2004
Colombo SRI LANKA

**Indian Ocean Rim Association for Regional Co-operation
Council of Ministers Meeting
26 August 2004**

Opening Remarks by Ms S van der Merwe, Deputy Minister of Foreign Affairs, Republic of South Africa

Thanked the host for their warm hospitality and thanked the meeting for appointing South Africa as Rapporteur of the Meeting

Expressed apology for Minister, who could not attend the meeting

SA welcomed the opportunity to return to the original charter of the IOR-ARC, signed in March 1997, which emphasized the development of economic ties between the member states of the IOR-ARC

SA is pleased to note progress made towards the establishment of the Preferential Trade Agreement among IOR-ARC member states. This will provide a valuable platform in enhancing economic interaction in the region; in particular enhancing trade and investment flows, trade liberalization as well as sustainable exploitation of the vast tourism potential of the Association's members

SA was supportive of close co-operation with Dialogue Partners and welcomed their presence here. SA looks forward to an expanded co-operation between member states and Dialogue Partners in future.

In light of the Chair's report on the future direction of the IOR-ARC, SA would support/encourage the opportunity to hold a brainstorming session at the next COM in Tehran. Iran could drive process in consultation with other member states.

In conclusion, Mauritius was thanked for supporting the Executive Director up to now and SA welcomed the fact that member states have taken over the responsibility. SA supported the rotation of Executive Directors in future.

(Translation)

**Address by H.E. Ambassador Wang Yusheng at
The Fifth Meeting of the Council of Ministers of
The Indian Ocean Rim Association for Regional Cooperation**

**Your Excellency Lakshman Kadirgamar,
Distinguished, and
Ladies and Gentlemen,**

I feel greatly honoured to attend the Fifth Meeting of the Council of Ministers of the Indian Ocean Rim Association for Regional Cooperation as special representative of H.E Foreign Minister Li Zhaoxing. On behalf of Minister Li, I wish to express my heartfelt gratitude to the Government of Sri Lanka for its effective preparation for the meeting and gracious hospitality accorded to the participants.

The Chairman of the Meeting of the Council of Ministers made his Presentation of the report during the morning session. We are glad that the IOR-ARC has made quite positive progress following the agreement on cooperation in certain areas reached at the fourth meeting such as seeking ways to facilitate the investment and free trade, promoting the tourism in this region, working out the developing plans in future and strengthening the institutional construction.

As a Dialogue partner to the IOR-ARC, China respects the Association purposes and supports its identified work orientation and cooperation priorities, as China stands ready to work with its members for greater cooperation in the Indian Ocean Rim region. It is gratifying that China has friendly relationships and cooperation with all IOR ARC Members and other dialogue partners. Mutually beneficial cooperation in trade, investment, tourism, science, technology and other areas between China and some members has made remarkable headway in recent years. The China IOR ARC trade volume in 2003 exceeded 100 billion accounting for 12 % of China's total foreign trade. China has started or prepared to start bilateral free trade talks with some members and has begun tourism cooperation with about a dozen members. China vigorously implements the "go global" strategy by encouraging well-established Chinese enterprises to invest in and cooperate with countries in the Indian Ocean Rim region. There is also fruitful cooperation between China and many ASSOCIATION members in

international economic affairs. As China's area of international cooperation is very much similar to Association cooperation priorities, there is a broad prospect for cooperation between the two sides.

I would like to reiterate that China will continue positively to take part in the Association's activities, strengthen the consultation with the members of the Association

and its other dialogue partners, broaden the mutual economic cooperation with countries in this region and support the Association's effort to achieve the goals.

Mr Chairman,

For all countries in the world, regardless of their level of development or size economic globalisation is both an opportunity and a challenge. Members of the international community are increasingly inter dependent not only in security terms but also in economic terms. Many of us are pondering over ways to create a favourable international environment for the good of our development in the present-day world. It has become a growing consensus therefore, that we seek our security and growth through international cooperation. In light of domestic and international conditions and in a spirit of keeping abreast of the times, the Chinese Government put forward as early as in 1996 a new security concept with such more features as mutual trust, mutual benefit, equality and coordination. Last year it went on to initiate the scientific approach to development featuring all round economic and social development that is coordinated and sustainable. The Chinese Government is determined to deepen reform expand opening-up and actively explore comprehensive international cooperation. The ASSOCIATION follows the major principles of peaceful coexistence, mutual respect, equality, mutual benefit and consensus building through consultation and advocates unity and win win spirit among its members, which the Chinese Government appreciates. During the meeting, the Chinese delegation feels the keen desire of the ASSOCIATION members for closer cooperation and is informed of ongoing and upcoming measures of the ASSOCIATION for substantive cooperation ASSOCIATION members, which are easily accessible geographically, spread over Asia, Africa and Oceania with over 1.6 billion people, abundant natural resources and vast markets. All this has offered favourable conditions and huge potentials for mutually beneficial cooperation. We are confident that as the Association cooperation unfolds, the organization will play an important role in promoting economic growth of its members and make fresh contribution to the development of the world economy.

May the Fifth Meeting of the Council of Ministers be a complete success.

May the Friendship and mutually beneficial cooperation between China and IOR ARC members and other dialogue partners make fresh headway.

**IOR-ARC Council of Ministers Colombo
26-27 AUGUST 2004
Speech delivered by Mr. Wilfred Bertile**

**Mr Chairman,
Honourable Ministers,
Ladies and Gentlemen,**

As my delegation takes the floor for the first time in this ministerial council, let me first thank you warmly for the efficiency of the organisation provided since the beginning of the IOR-ARC meeting as well as the generous hospitality that Sri Lanka as a host country, has displayed.

The French Minister for foreign Affairs, Mr Barnier, ask me to tell you how greatly he appreciated the invitation extended to him to take part in this council of Ministers Meeting. He asked me to represent him on this occasion in my capacity as an elected official and the Vice President of the Regional Council of La Reunion island. Today, I am also speaking on behalf of the General Council of La Reunion, which is the second elected assembly of this island.

As you know, France is more than a Dialogue Partner. It is already a partner in cooperation with many countries in the Indian Ocean. France has also a historical presence in the South West Indian Ocean, in particular through La Reunion island whose population has constantly expressed his will to remain French, La Reunion island is therefore a fully fledged Department of France and as such, the only European Union territory in the Indian Ocean. The island has many assets, including modern and efficient infrastructures, a skilled labour force, universities and research facilities. With the help of its university, which has sent a representative to take part in the Academia's Group work, La Reunion intends to promote cooperation in the fields of education and research, mainly through student and teachers exchanges.

As my delegation has mentioned during the committee of Senior Officials, La Reunion island, which enjoys a large degree of competencies has the right to enter agreements with foreign partners. For instance, we have concluded agreements with various entities such as the Khazulu Natal Province in South Africa, the state of Karnataka in India, the Malagasy government in the field of education, the Province of Cabo Delgado in Mozambique and the Municipality of Tianjin in China.

Reunion's population has many origins, in Africa and Asia, as well as in Europe and France. Building on this strength, Reunion's priority is to expand its cooperation with Africa and Asia, from where a large part of its population comes from.

From La Reunion, which has the technical knowledge as well as the financial means. France would like to promote its cooperation in the Indian Ocean, as it has already done with its partners and neighbours on the Indian Ocean Commission (Comoros, Seychelles, Mauritius and Madagascar).

The IOR ARC provides an opportunity for implementing cooperation in many areas where France could contribute such as the environment and protection of endangered species and areas such as weather forecasting, tourism, fighting sea pollution, fisheries and the protection of fishing resources. We would also like to support more business-oriented projects aiming at developing trade and investment within the region. Building on its experiences with European construction, France could also help the IOR-ARC with the development of integration plans.

As you can see, France and in particular La Reunion island, is already involved in developing cooperation in our region.

We would like to play a more active role in the IOR ARC will enable us to develop all the existing potentialities. Therefore, we would like to be more systematically and more closely involved in preparing the projects of the organization. It would make it easier for us to provide a contribution to these projects if the relevant projects documents could be systematically sent to our Ambassador in Mauritius which we wish, subject to your agreement, to appoint as our special representative to IOR ARC Secretariat.

In conclusion Mr Chairman, let me express how convinced we are that IOR-ARC can benefits to its member countries and reaffirm how much France, through La Reunion island, is eager to develop, within this organisation, a mutually beneficial cooperation.

Thank You for your attention./.