

**Address by Hon. Tyronne Fernando, P.C., M.P., Minister of Foreign Affairs
At the Inauguration of the Fourth Meeting of the Council of Ministers' of the
Indian Ocean Rim Association for Regional Cooperation (IOR-ARC)
on Sunday 12th October 2003**

His Excellency Yousuf bin Alawi bin Abdullah, Chairman of the IOR-ARC Council of Ministers

Their Excellencies,
Distinguished delegates,
Ladies and Gentlemen,

It is my pleasure and privilege as Chairman designate of the Council of Ministers, to inaugurate the Fourth Meeting of the Council of Ministers' of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) this morning. Let me extend a warm welcome to the Hon. Ministers, Deputy Ministers, Senior Officials and distinguished delegates from IOR-ARC member States, Director of the Coordinating Secretariat, Dialogue Partners and representative of the observer organization IOTO. I wish all distinguished participants a pleasant and fruitful stay in Sri Lanka.

Your presence here today, at the Fourth Meeting of the Council of Ministers' is a clear reflection of the continuing commitment and confidence in the IOR-ARC process. The Indian Ocean is one of the largest Oceans in the world measuring 28 million square miles. We have a common affinity and immediate identification with journeys of sailors like Vasco da Gama, Cheng Ho, Ibn Batuta and Sindbad the sailor. The Charter of the Association provides the Member States a flexible framework to pursue regional cooperation, particularly in the trade and economic sectors. It has been widely acknowledged that the people of the region would benefit immensely by the full utilization of the potential for closer trade and economic cooperation.

Hon. Ministers,
Distinguished delegates,

I should like to take this opportunity to place on record our sincere gratitude to His Excellency Yousuf bin Alawi bin Abdullah, Minister of Foreign Affairs of Oman for his able stewardship and guidance of the affairs of the Association in his capacity as Chair during the past two years. He has steered the destiny of our association during a crucial period in its brief history.

The establishment of the High Level Task Force of which Sri Lanka was a member, during his chairmanship was a significant step in our efforts to shape the future direction of our Association in pursuing our objectives. We have on our agenda today the recommendations of the High Level Task Force which when implemented will infuse a spirit of dynamism to IOR-ARC. The report of the High Level Task Force will, I am sure, provide us with a "road map" that gives strategic direction to our Association.

Trade liberalization is one of the central elements on the IOR-ARC Agenda. Studies have shown that intra-regional trade among the IOR-ARC countries ranges between 18 – 20 %, which is a fairly significant percentage. It has been recognized that there is scope for further expansion of trade.

The process of achieving tariff reductions based on the voluntary action principle embodied in the concept of open regionalism has been slow though, expected to bring benefits in the long term. In this context, Sri Lanka has proposed concluding a Preferential Trade Agreement (PTA) to achieve tangible results in the short and medium term. The task of preparing a feasibility study on the proposed PTA has been entrusted to the Core Group. I am confident that the Core Group will complete their task expeditiously.

It is obvious that the mechanisms we evolve within the IOR-ARC framework will be profoundly influenced by developments at the bilateral, regional and global levels. The deadlock at the recent WTO negotiations in Cancun is expected to give a fresh impetus to bilateral, regional and trans-regional trade liberalization. Against the backdrop of the ongoing globalization process, it is important that we make appropriate choices in order to achieve our objective of enhancing trade and economic interactions.

Hon. Ministers,
Distinguished delegates,

We have clearly identified projects in which we have converging interests and complementary perspectives. These projects provide promising opportunities to further strengthen our relationships in the future. In the maritime field, there are prospects for the establishment of an IOR-ARC Shippers' Council. Other priority projects include cooperation in fisheries and aquaculture development. The strategic vision being formulated by the Indian Ocean Rim Business Forum (IORBF) is expected to provide a long-term perspective for the development of the region. Integrated coastal zone management, tourism development, sources of pollution and its impact on the marine environment of the Indian Ocean have been identified as projects of common interest.

We should, no doubt, address our collective efforts towards harnessing the vast resources of the Indian Ocean, which as I mentioned, is one of the largest oceans of the world. Cooperative efforts should be made to explore the depths of the ocean to search for oil and natural gas resources, which the ocean is believed to be richly endowed with.

Hon. Ministers,
Distinguished delegates,

We have addressed our minds to the necessity of expanding the membership of IOR-ARC for the mutual benefit of all countries whose destinies are inextricably linked with the Indian Ocean. Furthermore, we should consider a suitable mechanism to engage the Dialogue Partners more meaningfully in the interactive sessions of IOR-ARC. To quote the Task Force Report, "There is general agreement that the present parameters

governing participation of Dialogue Partners should be expanded to allow for closer interaction with the Dialogue Partners.”

Another significant aspect we have to consider is to raise the profile of IOR-ARC both within and outside the Indian Ocean Rim. I believe, the Member States need to take suitable action to enhance the profile of the IOR-ARC among their own people. Ultimately, the success of IOR-ARC would depend on the ability of the Association to engage their people in its activities and to develop opportunities for enhanced regional economic cooperation. As for the profile outside the Indian Ocean Rim, the Task Force Report recommends an Annual Report to be presented also to the U.N. and other international bodies. This is an excellent idea.

Hon. Ministers,
Distinguished delegates,

Although we have made progress in some areas, we have to concede that much more needs to be done. At this Fourth Meeting of the Council of Ministers’, let us renew our commitment to enhance economic and trade interaction within our region keeping in mind the goals and objectives enshrined in the Charter. Regional cooperation should be the unifying thread that will bind our diverse economies together.

Our Association will prosper only if we constantly generate the necessary political will to renew it with relevance to the aspirations of our people. We need to consciously pursue a continuous process of upgrading the mechanisms of integration, so as to ensure their potential for fulfilling the needs of the Indian Ocean Community. What is needed thus, is a clear identification of priorities.

It is only if we raise the profile of IOR-ARC as a viable regional grouping, that we would have the opportunity of consolidating and strengthening our relations with other regional organizations. We could thereby also exercise some influence within our wider region.

Hon. Ministers,
Distinguished delegates,

In 1980, Tim Severin, an Irishman replicated the journeys of Sindbad the Sailor in a similar vessel travelling 6000 miles in 7 ½ months, testing the effectiveness of early Arab navigation methods. The project was sponsored by the Sultan of Oman.

Sri Lanka is delighted to take over the captaincy of IOR-ARC journey from where Oman has left it.

Let us have faith in the goals of IOR-ARC, confidence in our vision and a commitment to a programme of action in pursuit of them. We must resolve to use our combined strength to advance the interests of our people in the wider global economy.

Thank you.