

**OPENING STATEMENT BY MR TIM FISHER,
THE DEPUTY PRIME MINISTER OF AUSTRALIA AND
MINISTER FOR TRADE,
TO THE FIRST MINISTERIAL MEETING OF THE INDIAN OCEAN RIM
ASSOCIATION FOR REGIONAL
COOPERATION, 6 MARCH 1997**

MR CHAIRMAN - DEAR FRIENDS,

Let me say formally that Australia commits to the charter of the Indian Ocean Rim association for regional cooperation. I am delighted to be in Mauritius for this important launch, it is a truly beautiful country.

Thanks to Mauritius

The establishment of the IOR-ARC at the meeting will be an historic achievement and we all owe congratulations and thanks to the government of Mauritius for its far sighted initiative and hard work in bringing us to this point. Mauritius has demonstrated with this achievement that the quality of leadership does not depend on size. It has become not only the natural crossroads of the Indian Ocean but the actual crossroads as well.

Australia's Indian Ocean links

Australia is deeply committed to the process of economic cooperation that has been established here. The map to my left reminds us of Australia's extensive Indian Ocean coastline and our natural interest in maritime and regional cooperation issues. What is less well known is that our Indian Ocean state, Western Australia with its capital of Perth, has Australia's fastest growing economy and also accounts for the largest share of our total export earnings

Whilst this association is new, many of you of course are not strangers to us. Australia has long standing links with most IOR-ARC countries through commonwealth, APEC and other connections. Moreover, the tempo of regional cooperation has increased rapidly in the post-cold war international environment. So it is timely that we now join together in a formal political framework to strengthen our regional economic cooperation in the Indian Ocean.

Our region is a highly diverse one, encompassing states with significant differences in culture, physical size, population, resources and economic development. This new sense of Indian Ocean regionalism is therefore an important and welcome development which promises to draw us together.

Trade policy issues

But this is not a regionalism that should set us apart from the rest of the world. Rather, it should bring us closer to it. We see the IOR-ARC as a bridge not a wall. Whatever we do will take place within an increasingly open and competitive global system of trade and investment. This open system will deliver real benefits to those who join it. The stunning economic success of East Asia, particularly south East Asia, over recent years, stands as compelling evidence of this.

However as a new organization, it is natural that we will wish to examine and learn from other bodies. Our own experience in other regional grouping has taught us the importance of moving as quickly as possible towards tangible commitments from governments in the pursuit of economic and trade liberalization. Of course this organization is very much in its infancy and it may take a little while for that momentum to develop but we must not lose sight of our ultimate goal.

The most valuable result we can achieve in this organization is to improve what we in Australia call the economic or “enabling” environment in which the business

community operates. Our most fundamental obligation is to listen to business and deliver real outcomes which will better the lot of all our peoples - a win/win outcome.

In this context let me say that Australia is delighted to note that the charter we are about to adopt identifies as key objectives: improved market access through trade liberalization and the facilitation of freer and enhanced flows of goods, services and investment in the region.

I would also like to commend the understandings reached at the last intergovernmental meeting in September 1996 as reflected in the chairman's statement from that meeting and the commitment to global trade liberalization consistent with two principles in particular, we welcome the agreement that IOR-ARC will not head down the path of a preferential trading bloc type arrangement

The abiding lesson of modern economic history is that the globalization of the world economy means that countries which pursue inward looking self-sufficiency (eg. North Korea) will inevitably fail to capture the enormous growth potential that open interaction with other economies brings about,

At the same time we must remember that, as beneficial as regional cooperation may be, no regional grouping can compensate for a failure to get domestic economic fundamentals right. This is an objective we have pursued with vigor in Australia and will continue to do. We are very encouraged by the positive policy developments and commitments to economic reform which our fellow IOR-ARC members have also undertaken in recent times.

Membership

Mr Chairman, this initiative started with seven - the same number of nations which formed the original SAARC grouping and has now grown to fourteen economies. Australia has long believed that this process of cooperation should be inclusive. We

look forward to welcoming as soon as possible and practical those others who have expressed a natural and legitimate interest in membership. In the meantime, Australia supports the establishment of membership and welcomes the creation of a working group to determine these.

To realize the full potential of this association, it is important that all the major economies in our midst join us soon.

Administrative arrangements

The tripartite structure of the association will allow all of us to capitalize on the expertise of our business and academic communities. But we need to find ways of making these structures more effective and strengthening the contributions they can make. I look forward to some creative exchanges on how we can help bring this about. There is a need for the inter-governmental process to be challenged from time to time in a positive way by strong and independent inputs from the business and academic groups.

Conclusion

In summary, let me reiterate that Australia formally commits to the charter and regards the establishment of this association as a major achievement – and i congratulate all those involved, especially our host Mauritius. In particular, our chair Paul Berenger, not only qualifies with his elegant moustache, dare i say, for election as honorary squadron leader, but deserves our enduring gratitude for the personal role he has played in the realization of this vision.

It is a vital moment in history which will set the scene for beyond 2000, the next millennium, when the Indian Ocean economies will, i feel, surge ahead.

However, in the longer term, history will judge us not simply on the establishment of this grouping, but on what it delivers. That is the overriding truth which must inform and guide us as we embark down this exciting path together.

Good luck to the Indian Ocean Rim association for regional cooperation.