

**PLENARY STATEMENT BY  
SHRI I.K.GUJRAL  
EXTERNAL AFFAIRS MINISTER OF INDIA  
AT FIRST IOR-ARC MINISTERIAL MEETING  
MAURITIUS 5-7, 1997**

**Mr. Chairman,  
Ladies & Gentlemen,**

It is with a profound sense of history that I stand here today. History, not only because of the shared experiences of the nations that are present here today, but history also in terms of the endeavour that we are embarking on, and the implications that it is likely to have, for our region, as also the wider world.

May I, therefore, at the very outset congratulate you, Mr. Chairman, and the Government of Mauritius, on this occasion of profound significance. Through the pioneering effort made by Mauritius and the series of conferences it has hosted, it has been possible to bring this initiative to the point where we launch ourselves on a momentous voyage. May I also, on behalf of my delegation, thank the Government of Mauritius for its wonderful hospitality and the warmth with which we have been received. The dedication with which Mauritius has steered this initiative and the faith that it has reposed in its potential was reflected in the inspirational Address of the Prime Minister His Excellency Dr. Navinchandra Ramgoolam at the inauguration ceremony last evening.

**Mr. Chairman,**

The history of the littoral states of the Indian Ocean, that we are fortunate enough to share, has been intertwined through the ages. The traditional web of cultural, trading and sea-faring links, which connects us, was disturbed by the prolonged period of foreign domination, which quite a few among us experienced. We, therefore, regard, the creation of this Association as a vital reaffirmation of the vision of Afro-Asian partnership and self-realisation, which the first Prime Minister of India, Jawaharlal Nehru, dreamt of at the dawn of our independence. It is also a matter of particular satisfaction to us in India that the Indian Ocean Rim regional cooperation is becoming a reality as we prepare to celebrate the fiftieth anniversary of our freedom. The difference is that not two, but three continents, are now joined in this great venture.

The central attribute of IOR-ARC is that it squarely faces the future. The process of integration of the world economy, whether in capital and financial flows, trading, information technology or telecommunications -- in other words, globalisation -- is accompanied by a parallel manifestation, which is the speedy consolidation of interaction and mutually beneficial activity within various regions of the world. There have been many dramatic successes of this process. We are fortunate that some of the successful

practitioners of this process are among us today. We especially look forward to learning from their experiences.

The regional impulse accompanies the larger process of globalisation as challenges and opportunities brought before individual economies are more effectively encountered by lifting the level of economic activity in all forms. Collective regional endeavour unleashes its own forces with the result that shared economic activity far exceeds the sum of the size of individual economies. It is also in the nature of such initiatives that several such collective bodies should overlap. We are confident that the IOR-ARC will soon assume a leading position among them. If one were to draw a horoscope for this new Association, one would say that the future augurs well.

Many of the Rim countries in Asia represent the new locomotive power in the world economy. Africa too is also treading the path of growth and change, and South Africa has assumed its rightful place in the world community. A liberalizing and outward looking Indian economy has entered a high growth path and is keenly looking for economic partnerships. Australia is a vibrant industrial economy with a pronounced westward orientation towards the Indian Ocean. The ASEAN community has established a global presence, including through Asian and African engagement. In the Gulf region, rapid advances have taken place creating fresh potential for partnership. All these points on the Indian Ocean arc are primed for the possibilities of a strategic alliance for mutual growth and advancement. It is the task of the members of the IOR-ARC to galvanise this, and turn promise into reality. There is another vital aspect of this trans-continental partnership. The demographic, social and cultural mosaic that the Indian Ocean Rim represents today, reinforces the ideal of unity in diversity, and belief in and respect for pluralism and variety among humankind. We strongly need to uphold these values today as we head into the next millennium. Indeed, India and Indian culture have been shaped considerably by, and are the richer for, what the Indian Ocean brought to our shores through the ages. This ocean also carried generations of Indians to other lands in the Rim. They have, with their effort and talent, contributed to the prosperity of their countries of adoption. As of now, the bulk of the fifteen million overseas people of Indian origin live in the Indian Ocean Rim and I am sure they will be an invaluable asset in nurturing cooperation in the IOR-ARC.

**Mr. Chairman,**

It should be a matter of considerable satisfaction to all of us that at the very first meeting at this level of our as yet very young Association, we have such a well-defined and rich agenda before us. What we now need to do is to strongly focus on this very substantial agenda for economic cooperation, which includes as many as ten projects already approved in the work programme. The Association can accumulate the capital of progressively substantial economic cooperation and all members can draw dividends from it. As we proceed, our work should become more ambitious to encompass other areas of cooperation. To ensure that we are on track, we will also need to follow a cohesive approach, establishing effective methods and programmes for carrying out our

agenda. The IOR-ARC is an ambitious undertaking in terms of the many obvious challenges that will have to be met to ensure progress. The clear and intrinsic value of the Rim will have to be translated into solid instrumental value. As far as community building goes, I am along those who believe that each of these challenges represents an opportunity to be seized. Thus, if IOR-ARC countries are not exactly territorial neighbours - one to the other - we should focus more urgently on the requirements of infrastructural networking. We are at different stages of development and have different factor endowments and competitive strengths. This should make for effective complementarities. The Rim is rich in all kinds of resources - natural, human, technological, agricultural, industrial and capital. Through trade, cross-border investment, transfer of technology and development cooperation, these resources can be utilized for the benefit of the Rim, including through sub-regional cooperation, taking a leaf out of the East Asian experience.

Our high expectations from this Association also derive from the dynamic trade and growth performance of the Indian Ocean Rim in recent times. Most Rim countries have recently recorded a healthy growth, and even those countries which had earlier experienced difficulties are witnessing a turnaround. The Rim doubled its global trade from 1988 to reach nearly \$ 1 trillion in 1995. Of this, 68% was accounted by the members represented here. This surge in trade and investment activity was fed by the expansion of intra-Rim trade, which was \$100 billion in 1995, growing at the rate of 27% per annum in the 1990s. The potential for further trade and investment creation is early enormous. We, in India, have assessed that there is much that we can contribute to the Rim and, in turn much that we can benefit from. We are a big and one of the fastest growing markets, with middle-class consumers numbering over 350 million. India represents a significant agricultural and industrial production base in the Rim. Our services sectors are becoming increasingly competitive. Our scientific and technological manpower and R&D capacity are among the strongest in the Rim and offer global opportunities for techno-economic partnerships in IOR-ARC. We have taken major strides in information technology and possess global brand equity in this area. Our human resources are skilled, abundant and mobile. Our entrepreneurs are actively looking at Asian and African countries of the Rim for setting up joint ventures. Our trade with the Rim countries, currently at nearly \$ 8 billion, is expanding rapidly. Foreign direct investment flows from these countries to India occupy an important place in our economy. We are ready to contribute in every way we can to give a fill-up folio to cooperation in the Rim.

**Mr. Chairman,**

May I say that I am particularly satisfied at the multi-dimensional character of our Association. In the IOR-ARC, we have done well by fully involving the academic and the business communities in our venture. The former will contribute to the knowledge base and the working hypothesis for fresh ideas, while the latter will provide concrete proposals and enable tangible gain. The governments, for their part, will help define the objectives and provide the political will and policy framework. I, therefore, expect that

the trinity consisting of the Committee of Senior Officials, the Indian Ocean Rim Business Forum and the Indian Ocean Rim Academic Group, will work in unison to drive our movement forward.

The way we devise and implement our work programme will equally be a crucial determinant of the Rim's economic impact and welfare gain. A number of Work Programme initiatives have been taken up for implementation by all three components of the IOR-ARC. Despite participation in these Work Programmes being voluntary, we anticipate it to be broad based. We, on our part, have offered to work five projects relating to the Indian Ocean Rim Business Centre, the establishment of an Indian Ocean Chair and Associate Fellowship, Trade Promotion and Investment Promotion Initiatives and trade creating ventures. A sixth project which I would like to offer here is on annual IOR-ARC Lecture, which would be organised in India with speakers from the member countries. In addition, we are deeply interested in participating in the other projects offered by our partners in the Rim, especially those relating to standards and quality performance, human resource development and maritime transport.

The focus of the IOR-ARC will have to be cooperation which helps generate productive employment, effects transfer of knowledge and technology, develops human capital and contributes to the individual and collective well being of the Rim countries. We in India have an going technical and economic cooperation programme - the ITEC programme - with our partners in the IOR-ARC. We wish to strengthen ITEC in respect of these partners and would be happy to respond to specific requirements indicated by them. We would like to share our experiences with them and cooperate, particularly in respect of those projects being implemented in IOR-ARC. We also seek to expand our horizons and benefit from more intensive use of technical cooperation offered by other Rim countries. This will ensure that the development cooperation dimension of the Rim is kept in focus.

**Mr. Chairman,**

Every initiative of this nature - complex and with a long term perspective – needs solid institutional support. Too often, sound beginnings lose their focus and get bogged down for want of institutions that can channelize energy creatively, and provide a focus in the otherwise diverse concerns of member states. For this reason, we have supported the establishment of a core Secretariat to service the Association and assist the Chairman, as envisaged in the Charter. We therefore feel that the generous offer made by the government of Mauritius to host the Secretariat and get the IOR-ARC started on a sound institutional footing should be accepted.

**Mr. Chairman,**

**Excellencies,**

**Distinguished guests,**

I would like to emphasise in conclusion that we see the IOR-ARC as a vehicle for the transformation of the lives of the peoples of the Rim. We are all committed to this responsibility and we intend to bring to the task all the dedication and practical intent at our command. We pledge ourselves to this when we adopt the Charter of this Association, setting out the principles, objectives and scope of activities. In pursuing this path, let us not go merely by the certainties of experience but by our ever-expanding capacity for new experience as well. I implied in the beginning that we were gathered here with a sense of history. Let us together take the first steps to writing a small portion of it ourselves,

Thank you.

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