

**MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA**

**Statement by
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Minister for Foreign Affairs
Republic of Indonesia**

**At the First Ministerial Meeting of
The Indian Ocean Rim
Association for Regional Cooperation
(IOR-ARC)
Grand Bay, Mauritius
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Mr. Chairman,

1. First of all, allow me to express, on behalf of the Indonesian Delegation and on my behalf, our sincere gratitude and appreciation to the Government and people of Mauritius for the warm welcome and generous hospitality extended to us since our arrival to this beautiful island. I should also like to pay tribute to His Excellency Dr. Navinchandra Ramgoolam, the Prime Minister of Mauritius, for his enlightening address yesterday which will provide us with valuable guidance during our deliberations.

2. We meet today to formally launch a new important initiative for cooperation in the Indian Ocean region. We have been following with keen interest the processes and developments of various organisations in the Indian Ocean region during the past decades. I can say with all candour that many of them were unable to make progress or even came to a dead end due to many obstacles that stood in their way. There is, however, reason for optimism regarding the initiative we are launching today. For the situation in the region at present is very much different from what it was in the past. The end of the Cold War has removed many of the obstacles that had undermined the development of earlier regional organisations. The marked improvement of the regional and global political situation, coupled with the imperative of economic globalisation and the opening up of economies in the region have generated a powerful impetus for expanding cooperation and strengthening interlinkages. It is now incumbent upon all of us to seize these emerging opportunities for pursuing effective and mutually beneficial cooperation in the Indian Ocean region. Hence, Indonesia has readily welcomed the invitation to participate in the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC).

Mr. Chairman,

3. Although the Association that we are about to inaugurate is a new initiative, its roots are deep and can be traced back to antiquity. At a time when geographical distances between the eastern and western parts of the region were simply awesome, our ancestors already braved the fury of wind and wave to cross the Indian Ocean in order to trade and thus, though they were not aware of it, they promoted cultural cross-fertilization. This network of trading and inter-migration, which lasted for centuries, also gave our region a distinct identity. The colonization of our region by external powers, however, broke up these mutual affiliations. And later, the inauspicious international situation during the decades of the Cold War had frustrated attempts by countries of the region to rebuild that ancient network. The launching of IOR-ARC will therefore be a watershed in the history of our region, for it re-establishes the economic and cultural linkages that once flourished among us.

4. Let me then reaffirm Indonesia's commitment to cooperate closely and work together with our partners to ensure the success of our Association. We are pleased that the IOR-ARC Charter contains fundamental principles that serve as a beacon for our endeavours to develop the Association and to pursue its objectives. We find it fitting and well-advised that our Association should have a tripartite nature involving representatives of government, the business/private sector and the Academic, which are the main protagonists in every theatre of economic development. The Government as facilitator devises policies that ensure a favourable climate for development and cooperation. The Academic, serving as think tank, contributes its independent and insightful studies. And the business/private sector is the direct economic actor that translates policies and studies into concrete ventures from which flow of economic and social benefits.

Mr. Chairman,

5. As President Soeharto has said in his message on the occasion of the founding of the IOR-ARC, we are committed to support and help ensure the success of this Association because in the first place, as an archipelagic state between the Indian and Pacific Oceans, Indonesia has a vital stake in the stability and developments of the region. Moreover, our cooperation with the countries of the Indian Ocean region complements our cooperation with other countries in the framework of ASEAN and APEC. In this context, we believe that it is highly feasible for the IOR-ARC to work in concert with existing sub-regional organisations such as ASEAN, SAARC, GCC, COMESA, and SADC as some members of these organisations are among the founding members of our Association. Moreover, considering that the majority of IOR-ARC participants are developing countries, we can expect a further broadening and intensification of South-South cooperation through its activities.

Mr. Chairman,

6. Indonesia's total trade with IOR-ARC countries amounted in US\$11.4 billion in 1994. This substantially increased to US\$18.6 billion in 1995. However, well over 50 percent of that total represents our trade with IOR-ARC countries that are also APEC members. In the same vein, investment of IOR-ARC countries in Indonesia has also grown significantly. Direct investments from six IOR-ARC countries in Indonesia rose from US\$2.14 billion in 1994 to US\$6 billion in 1995. But most of these foreign direct investments also came from IOR-ARC countries that are at the same time APEC members. It is our wish, therefore, to see that the establishment of IOR-ARC will help foster out trade and investment relations with the rest of IOR-ARC countries. As to technical cooperation, Indonesia already has extensive TCDC programmes with a number of IOR-ARC countries. From 1981 to 1996, a total of 815 trainees from nine IOR-ARC countries have participated in various training programme in Indonesia. We expect that number to grow significantly in the future.

Mr. Chairman,

7. Allow me now to comment briefly on some issues before us.

First, on the issue on Membership, I am fully aware that this issue has been discussed extensively by the seven core countries in the early stages of this initiative and that it has led to the expansion of our membership to 14 countries last September. Nevertheless, as a true believer in open regionalism, from the very beginning, Indonesia has held the view that membership of our Association should be open to all countries in the region. This view is fully consistent with article 2 (ii) and 4 of the IOR-ARC Charter. Of course, we are also mindful of the need to ensure effectiveness and efficiency, hence our full endorsement of the evolutionary approach to IOR-ARC membership expansion. Yet, we believe that the present size of our membership still provides room for expansion. Hence, Indonesia supports the proposed establishment of a working group in order to address all aspects and issues pertaining to the expansion of membership and any other forms of association with the IOR-ARC. We hope that by our next Ministerial Meeting we would be able to arrive at a consensus decision on the matter.

8. Second on the issue of the criteria and guidelines for project selection, my delegation is of the view that in addition to the criteria proposed in paragraph 6 of the Conclusions and Recommendations of the Second Inter-Governmental Meeting, we should ensure that every project adopted by IOR-ARC are of direct relevance to the purposes and objectives of our Association, and that its proponents should be responsible for its financing, organisation and implementation. Furthermore, we are of the view that IOR-ARC projects should be open and evolutionary in nature. It is also of paramount importance to ensure that these projects do not duplicate or overlap with those of other organizations. In order to avoid proliferation of projects, it may be advisable to apply a “sunset clause” to our projects whenever appropriate. We must therefore develop our cooperative projects with almost care so that we can be certain of giving these projects all the support and commitment that they require.

9. Third, on the issue of the Secretariat. While recognizing the need for staff assistance in organizing and conducting meetings and in the preparation of documents as well as in storage and retrieval of documents and data, our experience with many organisations has left us unconvinced that the creation of a secretariat is the key to success of any organisation. We therefore believe that the best result will be achieved when the size and organisational capabilities of the secretariat match the development of the Association and the volume of its activities. That is why we agree with the recommendation to establish a “pilot mechanism” of an appropriately modest size and manned by personnel voluntarily seconded by members. Thereafter, the mechanism may evolve gradually, in step with the development and the inevitable enlargement of the requirements and initiatives of our Association.

10. Let me conclude, Mr. Chairman, by saying that there is a bright future ahead for our Association. But for that bright future to be actualised, we must be realistic and pragmatic in nurturing our Association and in the pacing of its activities. The stability that we achieve at the early stages of our Association's development will carry us expeditiously to our goals. Let us make haste judiciously, guided by a realistic sense of what is possible. If we do just that, then within the limits of our resources, which we can enlarge through synergy, I believe that we can solve many of our problems in a way that will make a difference to our peoples. And thus we can the sooner restore the ancient and fertile network that our forefathers nurtured in this region so that it will serve us once again in good stead as we address the challenges and opportunities of the 21st century.

Thank You.