

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.