

Impetus grows as ties flourish

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STARTING next week, the leaders of Asean and South Korea will meet on the South Korean island of Jeju to celebrate the 20th anniversary of their formal relationship. Asean has enjoyed good ties with South Korea, officially known as the Republic of Korea, since the latter engaged Asean as a group in 1989. Today, Korea is a full dialogue partner of Asean.

South Korea has acceded to the Asean Treaty of Amity and Cooperation (TAC). It is in the Asean Regional Forum (ARF), Asean Plus Three - comprising the 10 Asean member states, together with China, Japan and South Korea - and the East Asia Summit, which includes India, Australia and New Zealand in addition to the Asean Plus Three participants.

The South Korean President and representatives of South Korea's public, private and people sectors meet regularly with their counterparts from Asean. This networking has led to new areas of cooperation. The popularity of Korean TV drama serials has also generated a great deal of interest in the country's culture, cuisine, music and dance among South-east Asians. 'K-pop' now competes with the pop culture of China, Japan and the United States for the hearts of the younger generation. This has contributed to the healthy growth of Asean-Korea tourism. Four million tourists travel between South Korea and South-east Asia annually. Asean member states like Singapore and Vietnam have become important markets where the 'Korean wave' has penetrated consumer goods.

The current global economic crisis has strengthened South Korea's interest in developing closer relations with Asean. Asean's growing middle class is more than twice the size of South Korea's population of 49 million. South-east Asia has become a significant market for Korean goods and services.

Last year, trade between Asean and Seoul reached US\$90.2 billion (S\$130 billion), double the volume in 2004. The Asean-South Korean Free Trade Area, set up by the 2005 Framework Agreement on Comprehensive Economic Cooperation and the subsequent accords on trade in goods and services, is expected to increase two-way trade to US\$150 billion by 2015. On the sidelines of the forthcoming celebration in Jeju, the two sides will sign an agreement on investment, thereby making South Korea the first North-east Asian country to complete the whole FTA structure with Asean. Last year, mutual investment between Asean and South Korea totalled US\$6.8 billion, against just US\$1.3 billion in 2004.

Asean and South Korea are working with China and Japan to operationalise the huge US\$120 billion currency swap arrangement known as Chiang Mai Initiative Multilateralisation. Asean is contributing 20 per cent to the fund, with China, Japan and South Korea providing the rest.

As Asean and South Korea find ways to reduce their reliance on exports to developed countries, they can learn from one another's experience. In addition, global concerns such as climate change, environmental degradation, reforming the international financial system, food security, energy security and combating communicable and infectious diseases all require transnational actions and coordination.

Seoul's membership in the OECD and other specialised international bodies puts it in a good position to share information with and enhance Asean's capacity in managing these challenges. The Korean 'low-carbon, green growth' initiative for sustainable development, for instance, has strong potential as a priority area for Asean-South Korean cooperation. Looking ahead, Asean-South Korean relations will flourish on the basis of mutual accommodation and Seoul's support of Asean as the driving force in regional architecture building. The partnership will be even more dynamic and rewarding if our common goal of promoting 'regionalism' in East Asia can be utilised to further advance regional peace and security. The gadfly is North Korea. It is in the ARF and acceded to TAC in July last year.

Asean has reiterated that it is ready to work with South Korea to create an environment of trust and confidence conducive to the continuation of the Six-Party Talks and the engagement of North Korea with the international community. Asean has already opened its door to better economic ties with North Korea via South Korea. In the Asean-South Korean FTA, products from the Kaesong Industrial Complex in North Korea will be accorded preferential treatment. Asean can help North Korea plug into the international trading and investment grid.

Asean and Seoul can leverage on each other's expertise and best practices. The opening of the Asean-Korea Centre in Seoul in March this year will help boost trade and investment, as well as tourism and cultural exchanges. Both sides can open up their transport regimes and develop an 'Open Skies' policy. The implementation of 'green' legislation need not create undue burdens on businesses and consumers and South Korea's head start in this respect will be instructive to Asean.

President Lee Myung Bak has enunciated the 'New Asia Initiative' to put his country at the forefront of regional diplomacy. The Asean-South Korean platform must capitalise on this.

Hopefully, the Asean-South Korean Eminent Persons Group, entrusted with recommending useful ideas, can provide the impetus. The group will submit its report to the next Asean-South Korean Summit before the end of the year.

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