

Draft Speech for 23<sup>rd</sup> International Conference on the Future of Asia  
“Globalism at Crossroads – Asia’s next move”

6 June 2017

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Ladies and Gentlemen,

It’s a great honour for me to have this opportunity to participate in the Nikkei Forum again today. Last year, I informed the meeting’s participants of the clouds of the uncertainties that were emerging in the world at the time. On that occasion, I took the opportunity to share Thailand’s development and realignment in preparation for the impending changes, especially about using the political crisis as an opportunity to truly reform the country. I also pointed to new opportunities for Thailand and Japan to collaborate in both the public and private domains.

Ladies and Gentlemen,

We must admit that over a short period of just one year, the world has changed enormously. The clouds of uncertainties that were emerging has now increased and has now swept across the world. We have seen various events that cause concern to various nations not only on the economic front but also on the global political and geopolitical front. Last year, if someone had predicted that the TPP would meet its current fate, most participants would not have believed such a prediction for the TPP heralded the largest scale Free Trade Promotion ever. However, in less than a year’s time, the TPP initiative has been completely abandoned by its very own initiator. The new U.S. President announced that the emphasis of his government will be on the protection of the United States’ interests over those of other allied nations’ with his “America First” policy. The announcement was followed by measures that promoted trade protectionism rather than the previously adopted free trade policy. This is clearly demonstrated by the issuance of an executive order to investigate and impose measures on top trading partners who have trade surpluses with the U.S.A. - even though most of these countries have always been allies that the U.S. was committed to support for development in the past.

These occurrences, on the one hand, have caused concern and exerted pressure on various nations to readjust their stance and to prepare themselves for the effects of those uncertainties, on the other hand, they have initiated efforts to reorganize and realign towards the new world economy and trade order as countries seek an escape route from these uncertainties. Even though the mist hasn't yet cleared, it is evident that changes have already begun and are now taking form in Asia.

Ladies and gentlemen,

The changes in the world over the last year are not only limited to economic but the politics and geopolitics landscape has also changed. Brexit has severely shaken the EU's unity and political power and no one can clearly ascertain whether the EU will ever be the same. It is hard to conclude whether the electoral victory of President Macron in France will stem the tide of anti-globalization and populist leanings that propel countries to leave the EU. Moreover, at the previous NATO Summit, the speech by the U.S. president did not place the same importance on the unity of its allies as it did before. The speech instead insensitively emphasized that G7 allies should take more responsibility for NATO's defense spending, which led the Germany Chancellor to comment, after the meeting, that the times in which the EU could rely on others, that is the U.S., are over. These events have raised an important question on whether, under the existing fragile western economy, how much the political power and global balance of power will change, especially when the unity between the U.S. and its allies, which used to be tight, are put in this state. Globalism is really therefore at a crossroads and no individual or institution can really predict what the world will be like in a year's time.

Ladies and gentlemen,

Anxiety and Pessimism will not help us. Moving forward by collaborating to address vulnerabilities and maintaining the benefits of Globalization should put us on the right track in the midst of current challenges from the tide of reverse globalization and protectionism. It is therefore a challenge for us, especially for Asian nations, to turn to each other, to collaborate, and to adapt and reorient ourselves in order to

leverage Asia's strengths and become a bastion of hope in maintaining free trade and support the world economy by serving as a guiding light through the current thick cloud of uncertainties in the world today.

Ladies and Gentlemen

During 14<sup>th</sup>-15<sup>th</sup> May, China formally moved to organize the One Belt One Road Summit. The summit didn't only present an approach for the countries in Asia to collaborate but also advocated an opportunity to connect to other continents in the world such as Europe, Africa, and America. The move to push for free trade will definitely follow as Belt and Road eventually becomes a new platform that supports the world's free trade. No one can deny that this is a grand and innovative concept that encourages countries to collaborate. However, Belt and Road might not be the only approach. If there are other innovative approaches that can become our hope for the future, it too should all be supported. Japan's initiative to promote the TPP free trade zone, even without America's participation, is one such initiative that should be strongly supported; especially if former limitations that could become obstacles could be reevaluated and the conditions fine-tuned so that all member nations can form and be a part of this vibrant free trade area. All Nations should collaborate in its promotion. Similarly, the initiative to establish the RCEP Free Trade Economic Zone - involving the 10 ASEAN countries and 6 large countries namely China, Japan, India, South Korea, Australia, and New Zealand - will bring substantial benefits to member nations in Asia if it can be expedited in a timely manner. All these concepts are initiatives that should be supported and nations in Asia should collaborate to promote them, especially larger nations such as Japan, China, and India, who should seize the initiative and take the lead.

Ladies and Gentlemen,

Japan, China, and India are all large nations and are important driving forces of the Asian Economy but the true driving force of the Asian Economy is not only limited to larger countries. Asia is the home to many small and large countries that can assist and support one another, and synergise their strengths into a coherent force. This Asian driving

force though, is faced with certain limitations and if these limitations can be overcome, it will be a very powerful driving force in the future. In my personal view, there are four crucial factors that are important in overcoming these limitations to increase Asia's potential.

First: Connectivity. Regional connectivity, whether it be physical connectivity, both in terms of transportation and telecommunications; or connectivity of the supply chain, manufacturing, and logistics; or seamless connectivity in trade, investment, and labor. Without a push on the policy side to create this suitable connectivity, it will be difficult for us to realize Asia's great manufacturing potential, difficult to build up a strong middle class that will be both the manufacturer of valued goods and the major consumer base that will support the world trade.

Second: An integrated development strategy. Asia is a region consisting of varying countries, each of which is at differing stages of development in terms of production capability, advancement in technology, and human resources development. Moreover, in developing countries, human resources, which should be the main asset and driving force for a country, is less developed and thus becomes a liability and a burden that drags development. The strategic linkages in cross-country development of countries in Asia such as in economics, human resources development, disparity reduction, and the elevation of manufacturing capability, and advances in technology of each country will therefore be important to Asia's next step to becoming a powerhouse in terms of production capability, in terms of realizing her potential as a market for trade and investment, and in terms of becoming a leader in future technology and innovation. In practice, a move to form an integrated development strategy at the sub-regional level can be first initiated and the strategy development can then be connected at a broader level whether it be Asean, BIMSTEC, RCEP, or TPP, instead of having cooperation only on the free trade zone. This is the reason that Thailand is pushing for the development of a master plan for long-term strategic development of CLMVT countries and is pushing to strategically link the plan to the master plans of the AEC, BIMSTEC, and other plans at a broader level. In the process of our sub-regional master plan development, larger nations such as Japan, China, and India can play a significant role in any suitable dimension, which coincides with the overall strategy and true demand.

This integrated development strategy will be the important step for true regional integration and not just rhetoric.

Third: Human Capital Development. Human capital is the most important foundation for all other development. However, it can become a heavy burden that drags everything down if the level of poverty and underdevelopment is high. Asia has a population of billions of people but most nations still have citizens who are underdeveloped, undereducated, weak, and poor. In the near future, in a digital age where science and technology leads the way ahead, the weak will become even weaker and the level of disparity and inequality will rise even further. The combined might of Asia will not be able to shine. This great obstacle will therefore need to be removed by the cooperation to enhance the level of education, develop skilled labor, and prepare human resources for the digital age -creating an opportunity for enormous numbers of underprivileged individuals, transforming them from a burden to an asset. These developments cannot be realized without the aforementioned integrated development strategy and will never be realized if developed nations such as Japan do not lend a hand in providing support.

Last: Two short words "Peace and Trust". Last year, I mentioned in this forum about the rise of Asia. In a short period of one year, there is tension in the Korean Peninsula, an area in which more than half of the world's trade in goods needs to navigate through. The tension raises questions and concerns on how much of an impact it will have on the economy of East Asia and the Asia-Pacific if the situation deteriorates and on whether East Asia will be able to sustain its support for growth in Asia. We need to realize that Asia consists of many nations that have hundreds or thousands of years of history. Over that period, there have certainly been both times of peace and times of conflict. If we do not let go of past animosities, still keep looking inwards, and do not look towards the future, it will be difficult for us to overcome present obstacles and build a brighter future. We need to acknowledge that only in the recent decades has Asia been at peace and that this peace has allowed us to achieve our recent developments. It is therefore imperative that all nations in Asia put every effort into ensuring that the peace is maintained and there is mutual trust so that we can create a brighter future for Asia together.

Ladies and Gentlemen,

There is an old saying that in every crisis there is an opportunity. In the midst of clouds of uncertainties and instabilities that have shaken the old world order, the added anxiety putting added pressure on the already fragile health of global economy, it is an opportunity to reorder the world again, one in which I am confident that Asia will play a more significant role. Asia will be the new hope and the driving force of the global economy. The door of opportunity has already been opened for Asia. How well we can take advantage of the opportunity depends on how closely we collaborate, and how much of the tasks and burden of responsibilities that we are willing to shoulder for our collective future.

Ladies and gentlemen

At the recent Harvard graduation ceremony, Mark Zuckerberg was invited to give a commencement speech and, on that day, Mark spoke of one very important concept indispensable in building something grand and that is the "Sense of Purpose". He speaks persuasively that everyone has his or her own perceived purpose and that each are trying to find a path in which to reach that purpose. Purpose, however, needs to be redefined in a broader context if one is to reach for grandeur - that is to realize that we are striving for a bigger common purpose, realize our importance whether we are large or small, realize that we are an important needed contributing part of the whole. Acknowledging this "Sense of Purpose" will create a tremendous cohesive drive for taking on meaningful projects and lead to great things. He said that he succeeded in applying the sense of purpose within his organization called Facebook, and now he has a bigger purpose... to make better the part of the world that doesn't have an equal opportunity and are left behind. He is inviting everyone that he knows to share the higher "Sense of Purpose" together to change the world.

Ladies and gentlemen

The role and mission of Asia is bigger than the goal or purpose of any single country. Only through a shared higher "Sense of Purpose" or the bigger goal, will we be able to create a tremendous strength together.

Thailand isn't a large country. We are a small country that has turned a political crisis into an opportunity to reform our country. Thailand has now overcome the economic downturn that has plagued us over the last 3-4 years. Our economy has now continuously expanded and we are in the phase of truly reforming our country. However, we remain well aware and acknowledge the bigger goal in which collaborating with other countries in Asia is paramount in protecting the independence, stability, and prosperity of this region. We are ready to be a contributing driving force and shoulder the responsibilities needed to build the new future of Asia and give new hope to the world.

Thank you