

Inaugural Remarks
of
His Excellency Mr. Shaukat Aziz,
Prime Minister of the Islamic Republic of Pakistan
to
the Fourth Ministerial Meeting of the Asian Co-operation Dialogue
6th April 2005, Islamabad

His Excellency Mr. Wen Jiabao
Premier of the State Council
of the People's Republic of China,
His Excellency Dr. Surakiart Sathirratat,
Deputy Prime Minister of Thailand and Co-ordinator of the ACD,
Distinguished Foreign Ministers of ACD Member States,
Distinguished Delegates,
Excellencies,

Ladies and Gentlemen,

It gives me great pleasure to inaugurate the fourth Ministerial Meeting of the Asian Co-operation Dialogue in Islamabad.

On behalf of the Government and people of Pakistan, I extend a very warm welcome to you.

We are honoured to have our friends from all across Asia in Pakistan to forge a new vision for co-operation in Asia. By bringing together the genius and talents of our peoples, this co-operation has no bounds.

I wish to extend a very special welcome to Premier Wen Jiabao who has graciously accepted our request to deliver the key-note address at this august gathering.

Your presence, Mr. Premier, is a great source of encouragement for all of us and will definitely contribute to the achievement of the objectives of the ACD.

China's spectacular transformation and economic miracle as well as its emergence as a powerhouse for the global economy, places China in a unique position to advance the goals of peace and prosperity in our continent.

The increasing integration of the Chinese economy with those of the region are a source of strength and stability for Asia.

We, in Pakistan, are proud of our long-standing friendship and co-operation with China, which is based on mutual trust, commonality of interests and a shared destiny.

Your visit, Mr. Premier, the first to our region, will be an important milestone in further strengthening our time-tested and all weather friendship, which is indispensable to peace and stability in the region.

I also extend a warm welcome to my friend, Dr. Surakiart Sathirathai, the Deputy Prime Minister of Thailand. We owe the initiative

of the Asian Co-operation Dialogue to the Prime Minister of Thailand, Dr. Thaksin Shinawatra. In the four years since its inception, the ACD has gained in momentum and expanded in membership.

I am sure we all appreciate the efforts by Thailand as the Co-ordinator to enable this forum to become an effective means of promoting intra Asian Co-operation. Today, the ACD has become a platform which will enable us to realise the vision of an Asian century in the present 21st millennium.

Excellencies, Ladies and Gentlemen,

Asia has been the cradle of human civilisation. Our lands have been traversed by Prophets, Saints and Sages. The resulting Asian culture, heritage and traditions are a rich mosaic, inter-woven by the unique wisdom and sagacity of our ancestors. It is time for us to usher a new era of an Asian renaissance.

This renewed age of Asian enlightenment can only be fostered in an environment of peace, stability and prosperity in Asia. We need to set up the architecture for realising the full potential of our collective capabilities.

Asia today constitutes over a quarter of global exports, one third of the world economy and is the largest recipient of global FDI. Asian growth – in China, Southeast Asia, in South Asia - is the engine for the revival of the global economy.

Asia accounts for more than 60% of the world's population. It, therefore, constitutes an increasing portion of the global work force and with a growing middle class, is veritably the largest market in the world.

Asia is abundant in natural resources and is a primary source of energy, a critical lifeline for the global economy. It is a large reservoir of unmatched entrepreneurial and technological skills. It has all the critical ingredients to create the Asian miracle.

China epitomises Asia's economic prowess. ASEAN has emerged as a driving force for Asian resurgence. Japan is the world's second largest economy. Macro economic aggregates in terms of growth, trade, manufacturing and high technology for Asia are truly formidable. We may truly be witnessing "a shift to the East" – the new centre of gravity in the world.

Pakistan's vision is that of a greater Asian neighbourhood, which transcends the entire continent. We need to promote the required synergy for achieving Asia's enormous potential.

Specifically, we propose that the ACD should focus on concrete action, which should include:

One: Promote intra regional trade. Our focus should be on trade and not aid. Trade with the rest of the world requires us to be

more competitive. Globalisation is an opportunity and not a threat. Our ultimate goal should be an Asian free trade arrangement.

Two: Encourage investment between Asian nations. We must create the macro framework for joint ventures and direct investment.

Three: Share our best practices. Thereby ensuring collective enrichment from the experiences of our neighbours.

Four: Ensure our collective progress on structural reforms, which are key to development as we have learnt from our own experience and have now moved on to the second generation of these reforms.

Five: Create the corridors for co-operation through multi sectoral linkages such as energy, trade, transportation, tourism etc.

Six: Promote private public partnership by devising mechanisms for growth generating collaboration between civil society, the private sector and governments.

Seven: Encourage institutionalised co-operation. This could commence with regular meetings between our commerce and finance Ministers as well Governors of Central Banks. These could be later enlarged to encompass other sectors.

- Eight:** Help each other to help ourselves. This is a pre-requisite for sustained and holistic economic growth and development.
- Nine:** Ensure sustainable development. We must protect and preserve our environment.
- Ten:** Develop harmonious societies by redressing iniquities and disparities between countries and sub-regions of Asia.
- Eleven:** Encourage scientific research and development by utilising new technologies to create Asia wide knowledge based societies.

Ladies and Gentlemen,

Pakistan enjoys a unique pivotal position on the Asian continent. It is located at the cross-roads of South and Central Asia as well as West and East Asia. It is the only country, which is a member of the South Asian Association for Regional Co-operation (SAARC) as well as the ECO, which comprises the countries of West and Central Asia. Pakistan offers the shortest land route to the sea for the landlocked countries of Central Asia as well as for Western China from its ports at Karachi, Mohammad Bin Qasim and Gwadar.

Our regional role has further enlarged with the ARF status in the ASEAN. As Chairman of SAARC we are working energetically to promote regional cooperation in South Asia and between South Asia and the world. The conclusion of the South Asia Free Trade Agreement in January last year is a milestone in South Asian Cooperation.

With these multiple linkages, Pakistan can be the anchor of peace, stability and prosperity for the entire region. We are fully committed to effectively contributing to defining of an international order, which would guarantee peace, security, economic development, and social justice. We earnestly seek amicable and peaceful relations with all the countries of our region and are committed to the peaceful settlement of all outstanding issues, in particular the Kashmir dispute, in accordance with wishes of the Kashmiri people. It is imperative that the dialogue process to resolve these issues should be sustained and result-oriented.

Pakistan has also been playing a critical role in the international campaign against terrorism. Due to our efforts significant successes have been achieved in this campaign. At the same time, Pakistan has strongly advocated the need to address the root causes of terrorism for a durable solution of this problem.

The President of Pakistan, General Pervez Musharraf, has demonstrated great courage and foresight in leading the country towards peace, prosperity and security. He has been the driving force behind efforts to transform Pakistan into a modern, enlightened and progressive

Islamic State. His advocacy of “enlightened moderation” is a critical element of this strategy which envisages the resolution of issues confronting the Islamic world accompanied by democratisation of Muslim societies.

Over the past five years, we have worked hard to transform Pakistan into a progressive and prosperous country. To ensure the resurgence of our economy, Pakistan required sustained macro economic stability, financial discipline and consistent as well as transparent policies with courageous leadership willing to undertake difficult decisions. In addition, improved governance and better infrastructure were needed to enable the private sector to play a leading role in promoting investment and growth.

Ours was a two pronged strategy, one, improve the country’s macro economic environment; and two, implement wide ranging structural reforms in almost every sector of the economy. These removed impediments to private sector development and irritants to the investment climate apart from improving the allocation of resources.

We are now on to the second generation of our structural reforms. These reforms will concentrate on strengthening institutions, improving the competitiveness of our industries, building a robust financial system in an environment of global financial restructuring, further strengthening of tax administration, promoting transparency in economic policy-making and strengthening the country’s physical and human infrastructure.

The one hundred and fifty million people of Pakistan are our greatest asset. They have enormous potential to excel in any sphere of human endeavour. Their intelligence, dynamism and commitment are second to none. Our people have played a critical role in the economic revival of the country. For these reasons, our government has devoted great attention to the effective investment in human resources.

The Government is also committed to the promotion of the social sector, in particular health, education and women's empowerment. We strongly believe that investment in human capital to equip our population with quality education will be instrumental for Pakistan's long-term sustainable growth. Our strategy in the health sector is focussed on prevention and control of diseases, providing maternal and child health care and ensuring nation-wide out reach of public health facilities. Gender issues have taken a centre stage in our reform agenda. We firmly believe that any rapid economic growth must address the gender dimension. Gender mainstreaming has been ensured following amendments in the law allowing at least 33% representation for women at local government level and above 20% in the Parliament and Provincial Assemblies.

Pakistan's private sector has not only been the main engine of growth but is the primacy source of employment generation. The private sector can produce, distribute and trade more efficiently and at a lower cost than the Government. Accordingly, it is our belief that the role of the Government should be limited to facilitating and creating a conducive environment in which the private sector can play its effective role.

Equally important is the role of civil society which is critical to ensure good governance and transparency of Government policies. In fact, our ideal is to promote effective partnership between the government, the private sector and civil society.

Our vision for Pakistan is to see a developed, prosperous, modern and enlightened Islamic state--- a Pakistan where our children attend outstanding schools as a matter of routine, where the genius of our people is fully harnessed because it finds the proper opportunities, and channels for our advancement, where we have modern, thriving businesses and markets, a Pakistan which is populated with modern urban centers and dynamic rural communities where Pakistanis can lead peaceful, productive, and fulfilling lives, free of harassment and hassle; a Pakistan that becomes a model for others to follow. The Pakistan of today and tomorrow is not the Pakistan of yesterday. The Pakistan of tomorrow is a Pakistan of opportunity.

The sustained upward trajectory of Pakistan's economy offers vast opportunities for upgrading the economic, trade and commercial co-operation with Asian countries, both individually and collectively. Pakistan is open for business. It is the destination for investment and joint ventures. In effect, Pakistan can now become a valuable partner in our endeavours to realise the Asian miracle in the 21st century. Pakistan is ready and willing to share the geo-political advantages of its location with its Asian neighbours. It is capable of serving the region as a multiple corridor for

energy, for trade, for tourism, for transportation. Pakistan's political stability and economic progress are also positive factors for generating Asian co-operation and integration.

In our view, Asia is a continent of opportunities. To harness our full potential, Asia needs to gel together and join hands for prosperity and peace. We need to build our future step by step and brick by brick. The Asian Cooperation Dialogue provides the critical forum to achieve these goals. Let us resolve to make this happen. Let us bequeath an Asian community to our people. We owe it to our future generations.

Before concluding, I would like to wish the fourth Ministerial meeting of the Asian Co-operation Dialogue every success in its endeavours. I am sure that the Islamabad Declaration and the Islamabad Initiative will provide the impetus for further co-operation and integration within Asia.