

## **Remarks by Trade Minister Dukgeun Ahn at the 19<sup>th</sup> ASEAN Economic Ministers(AEM) – Republic of Korea Consultation**

I would like to extend my sincere gratitude to Chair Sorasak Pan as well as the Cambodian government for preparing today's ministerial meeting. In addition, my appreciation goes to Singapore, Country Coordinator, and the ASEAN Secretariat for their hard work.

Since establishing Dialogue relations in 1989, Korea and ASEAN have developed a comprehensive relationship as key partners in diverse areas. Despite the global pandemic, our two sides have engaged in close cooperation to maintain the flow of essential goods and personnel. Indeed, our trade volume hit a record high in 2021 reaching 176.6 billion dollars, while the first half of this year saw a sharp increase in mutual trade by 29.3% year on year. As a result, ASEAN is now Korea's 2<sup>nd</sup> largest trade partner as well as 3<sup>rd</sup> largest destination for Foreign Direct Investment.

Amidst the rapidly changing global trade environment, the economic relationship of the East Asian region that includes Korea and ASEAN is of the utmost importance. In this vein, Korea-ASEAN collaboration is critical when it comes to creating a regional order for co-prosperity.

Among others, I believe that cooperation on <sup>①</sup>supply chains, <sup>②</sup>digital transformation, and <sup>③</sup>climate change is of true significance.

First, it is essential to enhance our bilateral cooperation with a view to ensuring supply chain resilience amid uncertainties of the trade environment.

We should undertake efforts to strengthen supply chains in key industries such as ICT, automobiles, machinery and chemicals. In addition to new industries and new energies, I hope to see our cooperation on raw materials such as rare earth further enhanced given their growing importance. To this end, I believe RCEP as well as the Korea-ASEAN FTA will pave the way for accelerating our supply chain cooperation.

In particular, Korea is carrying out diverse industrial cooperation with ASEAN. A case in point is TASK. This project aims to facilitate technology transfers and improve the efficiency of the production process in ASEAN countries. To expand such cooperation, I would like to propose a joint study between Korea and ASEAN on international development cooperation regarding industry and energy. By reviewing the demand for cooperation in ASEAN countries, we will be able to explore and promote customized projects in areas that have large potential for cooperation in a mid-and-long term.

Second, efforts should be made to establish rules in response to the digital transformation.

Establishing digital rules is critical when it comes to laying the foundation for Trade Without Borders, which will contribute to improving interoperability between ASEAN members. In this vein, Korea is actively engaging in the process of devising global digital rules on one hand by joining the Korea-Singapore Digital Partnership Agreement and Digital Economic Partnership Agreement with Singapore, New Zealand and Chile. On the other hand, we proposed the Digital Trade Research for ASEAN last year, and I am aware that this study is being carried out in a cooperative manner.

Meanwhile, the Korea-ASEAN FTA has obviously played an important role in expanding our trade and investment. However, I believe it is time to review the current AKFTA as it has been over 15 years since the entry into force.

Third, our cooperation is essential when it comes to climate change.

The Paris Agreement and COP26 mark the beginning of a new climate change regime. Against this backdrop, Korea and ASEAN are carrying out joint R&D for renewable energies as well as cooperative projects to upgrade existing energy infrastructure. Looking ahead, Korea hopes to expand the horizon of our cooperation to promoting areas such as new energies that include hydrogen.

While each country introduces new climate policies, there are growing concerns that such movement may lead to new trade barriers. As such, Korea and ASEAN should also work together to prevent such risks.

In order to respond to challenges that I mentioned, collaboration and cooperation between Korea and ASEAN is necessary through the multilateral system such as ASEAN plus 3, the East Asia Summit, APEC, the WTO and etc. In particular, I believe that RCEP which took effect this year, is another valuable vehicle for co-prosperity.

With that said, I look forward to engaging in constructive discussions on our economic cooperation during today's event. In addition, the Korea-ASEAN Summit scheduled for November will pave the way for elevating our mutual cooperation to even greater heights.

Thank you.

## **Remarks by Trade Minister Dukgeun Ahn at the 25<sup>th</sup> ASEAN Economic Ministers(AEM) Plus Three Consultation**

I would like to extend my sincere gratitude to Chair Pan Sorasak, the Cambodian government as well as the ASEAN Secretariat for preparing today's event. In addition, my appreciation goes to ASEAN Ministers, Vice Minister Hirai Hirohide from Japan and Assistant Minister Li Fei from China.

ASEAN plus 3 has long served as an important channel for communication and cooperation since its establishment in 1997. This Meeting has also contributed much to regional economic prosperity.

In 2020 when COVID-19 broke out, ASEAN plus 3 initiated the Action Plan to ensure the smooth flow of goods and personnel, contributing to overcoming disruptions caused by the pandemic.

More specifically, we agreed to mutually recognize vaccination certificates and establish a fast track under the Action plan. Furthermore, ASEAN plus 3 contributed to the ASEAN COVID-19 Response Fund to support the provision of medical supplies and vaccine. Against this backdrop, ASEAN plus 3 is at the forefront of efforts to overcome the pandemic and accelerate an economic recovery.

Now is a crucial time for ASEAN plus 3 to expand its cooperation to tackle new global trade issues. In particular, the importance of cooperation on the digital transformation, climate change as well as supply chain connectivity cannot be overstated.

The spread of COVID-19 has accelerated the transition to the

digital economy. In this context, international cooperation is critical to create a favorable environment for the digital economy to facilitate e-commerce, secure free flow of data and protect on-line consumers.

What we need to focus on is to close the digital capacity gap between economic players and establish digital rules to ensure predictable and safe transactions.

For its part, Korea is exerting all out efforts to reduce the digital capacity gap between companies, generations and regions. We also tried to contribute to closing digital gap between countries.

Meanwhile, Korea is actively engaged in establishing global digital rules by concluding digital trade agreements with countries across the globe, and I hope to see such cooperation pave the way for the formation of digital trade rules.

Even though we are now facing numerous challenges, we should also put priorities on the realization of carbon neutrality.

Korea is engaged in diverse cooperation with all ASEAN plus 3 members in response to climate change, including joint R&D for renewable energies and upgrading existing energy infrastructure. Looking ahead, I expect such cooperation will grow to encompass global greenhouse gas reduction.

Trade rules are also increasingly under the spotlight with the launch of a new climate change regime. As such, close collaboration between ASEAN plus 3 is critical to prevent each economy's new climate policies from acting as trade barriers.

Following the entry in effect of RCEP earlier this year, the regional trade and investment between ASEAN plus 3 is expected to improve

in a quantitative and qualitative manner.

I also hope to see RCEP contribute to improving the stability and resilience of regional supply chains.

Korea will actively participate in the Joint Committee to ensure that RCEP will sail under a fair wind. In addition, we will explore cooperative projects to help regional economic players fully utilize RCEP through close communications with members.

As the efforts of a single country are not sufficient to overcome those urgent challenges, the global collaboration under the multilateral system is of true significance.

During the WTO's MC-12, member countries reached an agreement on a pandemic response, food security and WTO reform. Based on this momentum, I hope to see close collaboration of ASEAN plus 3 members with a view to restoring the multilateral trade system.

Distinguished Chair and Ministers,

I look forward to engaging in constructive discussions on our economic cooperation, and I would once again like to thank Chair Pan Sorasak, the Cambodian government and the ASEAN Secretariat for all your hard work at today's event.

Thank you.

## **Remarks by Trade Minister Dukgeun Ahn at the 10<sup>th</sup> East Asia Summit(EAS) Economic Ministers' Meeting**

I would like to thank the Cambodian government and the ASEAN Secretariat for preparing today's event.

Recently uncertainties that the world is facing extend well beyond the pandemic. Among others, climate change, the digital transformation as well as resilient supply chains can be listed as our top priorities. However, the efforts of a single country are not sufficient to tackle those challenges.

First of all, climate change is being highlighted as a new trade agenda. As a responsible member of the international community, Korea is joining global efforts to realize carbon neutrality by 2050.

At the same time, we are mindful of the potential risk of environment policies, In thi vein, I hope to see smooth communication and cooperation on trade-climate connectivity between economies including EAS members.

Second, with the accelerated digital transformation, it is an urgent time to discuss digital trade rules to meet the global demand.

For its part, Korea is set to sign the Digital Partnership Agreement with Singapore within this year, and currently under the process to join the Digital Economic Partnership Agreement. Korea is also actively participating in WTO e-commerce discussions with a view to promoting the digital transformation and facilitating the digital trade.

I hope that such cooperation will pave the way for the establishment of international rules for the digital economy, and I look forward to seeing close cooperation between EAS members in this respect.

As we are moving toward the end of the pandemic, there are still severe issues that we have to tackle together such as the stabilization of supply chains as well as food security, beyond climate change and digital trades.

Since global supply chains regarding food, energies and raw materials are closely linked, the impact of one country's issue cannot be limited to a certain industry or region. We should also exert all out efforts to prevent the fragmentation of food supply as well as energy and raw material trade.

In this regard, I cannot help but express concerns over current regional geopolitical tensions which are continuously taking a toll on economies across the globe.

Russia's military action against Ukraine poses an unprecedented challenge to the fundamental norms of international law and order.

Korea believes that a country's sovereignty, territorial integrity and independence should be respected, and the use of force cannot be justified under any circumstances.

The crisis is taking a huge toll on global food and supply chains. Against this backdrop, international cooperation is imperative to resolve this crisis in a swift manner. For Korea's part, we are joining efforts in international activities to improve the situation by offering humanitarian aid.

Turning to Myanmar, the violence in Myanmar gravely undermines democracy and human rights which are our universal values.

Korea is deeply concerned about the deteriorating humanitarian situation, such as recent execution of pro-democracy and opposition activists.

We urge Myanmar to end the on-going violence and embark on constructive dialogue with all parties concerned.

In this difficult time, I hope that we will continue cooperative efforts in compliance of universal values as well as international norms in the East Asian region. Thank you.