



**THE 8th AEM-MOFCOM CONSULTATION
15 August 2009, Bangkok, Thailand**

JOINT MEDIA STATEMENT

1. ASEAN Economic Ministers from the ten ASEAN Member States and the Minister of Commerce, China met on 15 August 2009 for the 8th AEM-MOFCOM consultation.
2. The Ministers noted that the trade between ASEAN and China still have great potential despite the global economic crisis. Total trade between ASEAN and China reached US\$192.5 billion in 2008 according to ASEAN statistics and US\$ 231.1 billion according to China's statistics. This growth puts China as ASEAN's third largest trading partner in 2009, accounting for 11.3% of ASEAN's total trade. Chinese data showed a higher expansion of 14% to US\$231.1 billion in 2008.
3. Ministers were pleased with the progress in the implementation of tariff cuts under the ASEAN-China Trade in Goods (TIG) agreement. For ASEAN 6 and China, 2009 represents the second last tranche of reductions under the NT before the final reductions takes effect in 2010. Ministers were pleased to note that with the tariff reductions from the parties, the average ad valorem tariff levels under the FTA have declined to 4.5%, compared with the MFN rate of 8.1%. In China's case, the overall simple ad valorem average for 2009 under the ACFTA is 2.4%, compared with the 9.8 % MFN rate. Ministers encouraged traders to take advantage of the lower FTA rates to further enhance trade between the parties.
4. Ministers launched a Work Programme for the Review of the TIG Agreement which they endorsed at this meeting that will also consider new elements of cooperation under the FTA, including exploring the possibility of negotiations in such SPS and TBT. A study on the Trade Impact of the ASEAN-China TIG Agreement is also being undertaken, while a Peer Review Mechanism on the implementation of the FTA will be a feature of the implementation process.
5. Ministers expressed satisfaction with the conclusion of the negotiations on the amendments to the Operational Certification Procedures of the rules of origin. The streamlining of these procedures will provide better access to the benefits of the FTA.
6. The signing of the ASEAN-China Investment Agreement at this Consultation is a significant milestone as entry into force of this agreement will fully establish the comprehensive free trade agreement between ASEAN and China covering goods, services and investment, spanning a market of some 1.9 billion people, with a combined GDP of close to US\$6 trillion. The combined cumulative FDI of ASEAN and China stands at over US\$60 billion up to the end of June 2009. The signing of this Agreement will send a positive signal to the world that ASEAN and China are jointly moving forward in overcoming the global financial crisis by providing the enabling environment to sustain and advance ASEAN-China economic cooperation.
7. Ministers welcomed the final phase of negotiations on the Second Package of Services Commitments under the ASEAN-China Trade in Services Agreement and expect a completion by the 12th ASEAN-China Summit in October 2009.
8. Economic cooperation issues continued to be progressed under the ACFTA. Among the projects under consideration is a workshop on operational certification procedures that will help the business sector utilise more effectively the tariff reductions under the FTA. Another project being discussed is an FTA business portal that would provide essential information to the business sector on the FTA and provide opportunities for networking and communications.

9. ASEAN and China are engaged in a number of cooperative activities, including MOUs between ASEAN and China on Cooperation on Intellectual Property and Technical Barriers to Trade (TBT) which will be signed at the sidelines of the 12th ASEAN-China Summit.

10. The 6th Annual China-ASEAN EXPO co-organised by China and ASEAN Member States will be held in Nanning, China from 20-24 October 2009. To address the global economic crisis, the fair is expected to be of a longer duration lasting four days, with additional booths added this year. A Financial Forum, a Forum on Customs Business Cooperation, and an agricultural expo will be held on the sidelines of the Expo. This is an important promotional event for enhancing trade and investment between ASEAN and China.

11. Ministers welcomed China's setting up of the China-ASEAN Investment Cooperation Fund with an ultimate size of US\$10 billion to finance major investment cooperation projects in infrastructure, energy and resources, information and communications technology and other fields as well as a US\$15 billion credit facility to advance ASEAN integration and ASEAN-China economic cooperation like infrastructure in the next three to five years.

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LIST OF MINISTERS

1. **H.E. Pehin Dato Lim Jock Seng**, Second Minister of Foreign Affairs and Trade, Brunei Darussalam
2. **H.E. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia
3. **H.E. Chen Deming**, Minister of Commerce, China
4. **H.E. Mari Elka Pangestu**, Minister of Trade, Indonesia
5. **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
6. **H.E. Dato' Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
7. **H.E. U Soe Tha**, Minister for National Planning and Economic Development, Myanmar
8. **H.E. Peter B. Favila**, Secretary of Trade and Industry, the Philippines
9. **H.E. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
10. **H.E. Porntiva Nakasai**, Minister of Commerce, Thailand
11. **H.E. Vu Huy Hoang**, Minister of Industry and Trade, Viet Nam
12. **H.E. Surin Pitsuwan**, Secretary-General of ASEAN