



**THE SEVENTH AEM – ROK CONSULTATION  
26 August 2010, Da Nang, Viet Nam**

**JOINT MEDIA STATEMENT**

1. The Seventh Consultations between the ASEAN Economic Ministers (AEM) and the Minister for Trade of the Republic of Korea was held in Da Nang, Viet Nam on 26 August 2010. The Consultation was co-chaired by H.E. Dr. Vu Huy Hoang, Minister of Industry and Trade of Vietnam and H.E. Mr. Kim Jong-Hoon, Minister for Trade of the Republic of Korea.
2. The Ministers reviewed the bilateral economic and trade cooperation activities implemented under the Framework Agreement on Comprehensive Economic Partnership among the Governments of ASEAN Member States and the Republic of Korea, particularly the implementation of the Agreement on Trade in Goods, the Agreement on Trade in Services and the Agreement on Investment as well as other economic cooperation activities.
3. The Ministers noted that, despite the global economic crisis, according to ASEAN statistics, trade relations between ASEAN and Korea were still quite robust in 2009. Compared to the 22.6 percent decline in global trade in 2009, total trade between ASEAN and Korea showed strong performance in 2009 with only a slight decline of 4.5 percent from the previous year, reaching the level of USD 74.7 billion from USD 78.3 billion in 2008. The Ministers noted that the 2009 value of total trade between ASEAN and Korea was much higher than its pre-crisis level, which is USD 61.2 billion in 2007. ASEAN was the third largest trading partner of Korea in 2008 and conversely, Korea was the fifth largest trading partner of ASEAN.
4. The Ministers noted that total flows of Foreign Direct Investment from Korea declined by 10.21 percent in 2009 with ASEAN receiving a substantial amount of FDI of USD 1.4 billion last year.

**Implementation of the ASEAN-Korea Free Trade Agreement**

5. The Ministers welcomed the realisation of tariffs elimination on almost 90 percent of products classified in the Normal Track as of 1 January 2010, among ASEAN 5 (i.e. Brunei Darussalam, Indonesia, Malaysia, the Philippines and Singapore) and the Republic of Korea. The Ministers noted that, In line with the transparency requirements

of the WTO, ASEAN and Korea have notified the ASEAN-Korea Trade in Goods Agreement to the WTO.

6. The Ministers endorsed the recommendation of the ASEAN-Korea Free Trade Area (AKFTA) Implementing Committee to commence the review of the ASEAN-Korea Trade in Goods Agreement starting with an impact assessment study to be jointly undertaken by Korea and ASEAN. The Ministers agreed that the study would provide policymakers with an overview of any implementation gaps in the ASEAN-Korea Trade in Goods Agreement; assess the Agreement's impact; and provide recommendations on how the Agreement could be enhanced to make it more beneficial to all Parties.

7. The Ministers noted the concerns over the low utilisation of the AKFTA, which could be attributed not only to the low awareness by businesses of the AKFTA and the lack of information on preferential and/or reciprocal tariff rates but also to the practical difficulties in the administrative procedures to claim tariff concessions under the AKFTA. In this regard, Korea proposed subjects to be discussed, such as a possible pragmatic approach to implement the mutually agreed changes to the OCP and its attachment (certificate format), the possibility of introducing the Approved Exporter System and a system of self-certification of origin in the long-run, the liberalisation of the Sensitive Track, and review of the reciprocity tariff rate system. The Ministers instructed the Implementing Committee to spur its efforts to develop solutions for the subjects from next rounds of the IC as well as to look into the factors to improve the utilisation of the AKFTA and explore options to address them.

8. The Ministers underscored the importance of addressing this matter for businesses in ASEAN and Korea to maximise the potential of the AKFTA. The Ministers tasked officials to submit their recommendations on the enhancement of the utilisation of the AKFTA, together with their recommendations from the outcome of the review of the AKFTA Trade in Goods Agreement, at the AEM-ROK Consultations in 2011.

9. The Ministers also tasked officials to put priority attention to improving awareness of the AKFTA among business sector of both sides and promoting its utilisation in identifying economic cooperation projects and activities.

10. The Ministers noted that almost all Parties have ratified the ASEAN-Korea Trade in Services Agreement, and urged the remaining Party to do so as soon as possible. The Ministers reiterated the benefits of the Agreement for service providers and the business community of ASEAN and the Republic of Korea.

11. The Ministers were pleased to note that the ASEAN-Korea Agreement on Investment has now entered into force for all Parties.

12. The Ministers agreed to target the implementation of all agreements by all Parties by the ASEAN-ROK Summit scheduled in October 2010.

## **Economic Cooperation**

13. The ASEAN Ministers expressed their appreciation to the Republic of Korea for the third contribution of USD 500,000 to the ASEAN-Korea Economic Cooperation Fund, making Republic of Korea's contribution to the Fund to-date amounting to over USD 1.5 million. In addition, the Ministers also welcomed the fact that the annual contribution to the ASEAN-ROK Cooperation Fund would increase to 5 million USD from 3 million USD from this year.

14. The Ministers noted the 21 projects currently under implementation under the ASEAN-Korea Economic Cooperation Fund. In order to ensure the effective utilisation of the fund, the Ministers tasked the ASEAN-Korea Working Group on Economic Cooperation, through the AKFTA Implementing Committee, to continue to review the economic cooperation programme under the ASEAN-Korea Framework Agreement, with the view to assessing and evaluating its effectiveness and contribution to ASEAN-Korea comprehensive economic cooperation.

## **G20 Seoul Summit**

15. The Ministers recognised the importance of issues discussed in the G20 process in pursuit of strong, sustainable and balanced growth. In this regard, they welcomed the chairmanship of the Republic of Korea in the G20 Summit in Seoul this November. The ASEAN Minister welcomed Korea's efforts to reflect the views of ASEAN in the process of preparing for the Seoul Summit. The Republic of Korea confirmed that it would make particular efforts to incorporate the perspectives and concerns of emerging and developing countries into the G20 agenda, and thereby contribute to enhancing legitimacy of the G20 and strengthening the recovery of the global economy.

⌘

**LIST OF MINISTERS**

1. **Dato Paduka Lim Jock Hoi**, Permanent Secretary, Ministry of Foreign Affairs and Trade, Brunei Darussalam
2. **H.E. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia
3. **H.E. Mari Elka Pangestu**, Minister of Trade, Indonesia
4. **H.E. Kim Jong-Hoon**, Minister for Trade, Republic of Korea
5. **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
6. **H.E. Dato' Sri 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. Gregory L. Domingo**, 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

⌘