



**THE 8TH AEM-ROK CONSULTATIONS
12 August 2011, Manado, Indonesia**

JOINT MEDIA STATEMENT

1. The Eighth Consultations between the ASEAN Economic Ministers (AEM) and the Minister for Trade of the Republic of Korea were held in Manado, Indonesia on 12 August 2011. The Consultations were co-chaired by H.E. Dr. Mari Elka Pangestu, Minister of Trade of Indonesia and H.E. Mr. Kim Jong-Hoon, Minister for Trade of the Republic of Korea.
2. The Ministers noted that in 2010, two-way trade relations between ASEAN and Korea rose from US\$74.7 billion in 2009 to US\$ 98.1 billion, an increase of 31.3%. Exports grew by 31.2% amounting to US\$45.0 billion while imports increased by 31.4% to US\$53.1 billion. Korea maintained its position as the fifth largest trading partner of ASEAN while ASEAN was the second largest trading partner of Korea in 2010.
3. The Ministers noted that foreign direct investment flow from Korea to ASEAN increased significantly from US\$1.4 billion in 2009 to US\$3.8 billion in 2010 or approximately 155.7%. Korea was ASEAN's fourth largest investor in 2010.
4. The Ministers welcomed the completion of the Joint Impact Study of the ASEAN-Korea Trade in Goods (AK-TIG) Agreement and noted the key findings which among others indicated that the AK-TIG had resulted in significant trade creation and expansion among Parties, and all Parties gained an expansion in real GDP. The findings also showed that the AKFTA utilisation rate of preferential tariffs for Korea's imports from ASEAN seemed to have been gradually increasing while the utilisation rate among ASEAN Member States for imports from Korea was still low. The Ministers noted the recommendations and exchanged views on the feasibility of the recommendations.
5. The Ministers also noted the draft text of the Second Protocol to Amend the AK-TIG Agreement which would facilitate the acceleration of concessions, including unilateral transfer of tariff commitments from the Sensitive Track to the Normal Track and expedite the implementation of the mutually agreed changes to the OCP (Operational Certification Procedures). This will help accelerate the liberalisation schedule especially for tariff lines under the Sensitive Track and reduce the administrative burdens of businesses of both Parties. The Protocol is expected to be signed at the ASEAN-ROK Summit in November 2011.
6. The Ministers noted the efforts to increase and promote the utilisation of the AKFTA which include amendments to simplify the OCP as well as development of a dedicated website and AKFTA seminar kit. The Ministers instructed the AKFTA

Implementing Committee to continue to explore ways in further enhancing the utilisation of the AKFTA, taking into account both Korea's proposals made at the 7th AEM-ROK Consultations and the recommendations of the Joint Impact Study.

7. The Ministers were pleased to note that all Parties have ratified the ASEAN-Korea Trade in Services and Investment Agreements. As provided for in Article 26 of the ASEAN-Korea Trade in Services (AK-TIS) Agreement, the Ministers tasked the AKFTA Implementing Committee to review the AK-TIS Agreement for the purpose of considering further measures to liberalise trade in services.

8. The Ministers also tasked the AKFTA Implementing Committee to review the Sensitive Track for improving the market access for goods and the reciprocal tariff rate system in accordance with Article 15.2 of the AK-TIG Agreement.

9. The ASEAN Ministers expressed their appreciation to the Government of Korea for the annual contribution of US\$500,000 to the ASEAN-Korea Economic Cooperation Fund. The Ministers noted that 11 projects have been completed while 18 projects are on-going. The Ministers advised the ASEAN-Korea Working Group on Economic Cooperation to strengthen the evaluation and monitoring of projects to ensure effective utilisation of the fund and contribution to regional economic integration.

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LIST OF MINISTERS

1. **H.E. Pehin Dato Lim Jock Seng, Second Minister**, 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. Mahendra Siregar**, Vice Minister of Trade, Indonesia
5. **H.E. Kim Jong-Hoon**, Minister for Trade, Republic of Korea
6. **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
7. **H.E. Dato' Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
8. **H.E. U Tin Naing Thein**, Minister for National Planning and Economic Development, Myanmar
9. **H.E. Gregory L. Domingo**, Secretary of Trade and Industry, the Philippines
10. **H.E. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
11. **Mr. Yangyong Phuangrach**, Permanent Secretary Ministry of Commerce, Thailand
12. **H.E. Nguyen Cam Tu**, Deputy Minister of Industry and Trade, Viet Nam
13. **H.E. Surin Pitsuwan**, Secretary-General of ASEAN