The 6th Dialogue between Secretary General of ASEAN and Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA)

Joint Press Conference

July 12, 2013
Hanoi, Vietnam
Japan is the principal investor in ASEAN(2011), in terms of net inflow of FDI from extra-ASEAN. Increasing number of FJCCIA members obviously shows Japanese companies’ strong commitments in ASEAN.

ASEAN foreign direct investments net inflow from extra-ASEAN(2011)

**Country** | **June 2013** | **Share**
--- | --- | ---
Brunei | 3 | 63.5%
Camodia | 144 | 51.0%
Indonesia | 631 | 13.4%
Lao PDR | 56 | 23.9%
Malaysia | 568 | 6.0%
Myanmar | 107 | 18.5%
Philippines | 674 | 10.0%
Singapore | 772 | 10.0%
Thailand | 1,479 | 10.0%
Viet Nam | 1,213 | 10.0%
Total | 5,647 | 10.0%

Note:
1: FJCCIA stands for the Federation of Japanese Chambers of Commerce and Industry in ASEAN.
2: Total numbers include regional chambers (e.g. Cebu in the Philippines, Danan in Vietnam, East Java, Bandon and Bali in Indonesia). The member companies of FJCCIA was 4,447 in 2010, 4,944 in 2011, 5,034 in 2012.
3: Approved base except Indonesia(Realization base) and Singapore(Commitment base)

(Source) Prepared by JETRO based data from ASEAN Secretariat
(Source) Prepared by JETRO based data from JCC in ASEAN countries.
Japanese Government has increased ODA for ASEAN in critical situations after economic crises in 1997 and 2008, respectively. In addition to government level cooperation, FDIs in ASEAN have been steadily increasing (exceeded those in China in 2010 and 2011).
Japanese manufacturers in ASEAN have steadily been increasing the local procurement ratio either in each country or from other ASEAN countries. Finished or semi-finished products are exported to overseas market, including Japan, China and Europe.

**Average ratio of raw materials and parts procurement sources**
(N=948)

**Export destinations**
(N=1,167)

(Source) Survey of Japanese-Affiliated Firms in Asia and Oceania (2012/JETRO)
FJCCIA’s Requests

Customs Procedures

- Industrial HRD for Global Supply Network
- Standards, Conformance and Labeling
- Protection of IPRs
- Mekong-Japan Industry Government Dialogue
- ASEAN+1 FTAs
- Utilization of FTAs
- New Subjects
**Major Outcomes**

### Customs Procedures

**Abolishment of FOB value in the CO Form D** for ASEAN-Korea, ASEAN-Japan and ASEAN-Australia and New Zealand in instances when WO5, CTC and Process Rules are used

(Decision by 25th AFTA Council Meeting)

**Steady progress on domestic process in each ASEAN Member State for full implementation of The ASEAN Harmonized Electrical, Electronics Equipment Regulatory Regime (AHEEERR)**

### Mekong-Japan Industry and Government Dialogue

**Concrete actions of Mekong countries to conduct Single Stop Inspection** at major land border points for enhancing connectivity

(Various actions including the decision by Second Vice Foreign Ministers’ Meeting on East-West Economic Corridor (EWEC) Development on 16 May)

**Utilizing FJCCIA’s suggested list on Information Technology Agreement (ITA) to WTO/ITA negotiation** through forwarding information to their respective relevant agencies for the negotiations

(Decision by Coordinating Committee on ATIGA (CCA), on 2 July)

---

- **FOB**: Free on Board
- **CO**: Certificate of Origin
- **WO**: wholly obtained or produced
- **CTC**: Change in Tariff Classification
- **AFTA**: ASEAN Free Trade Area
FJCCIA will submit new requests to ASEAN Secretariat in 2014. The requests will be consisted from a) remaining issues which need further continuous efforts and b) new issues.

New issues to be incorporated into FJCCIA Request in 2014

- Early elimination of Non-Tariff Barriers/Measures (NTBs/NTMs) which would recognized as bottlenecks for improving business competitiveness

- Coordination of liberalization level and scope in AMSs, as well as liberalization of all kinds of manufacturing support services under “ASEAN Framework Agreement on Trade in Services (AFAS)”

- Introduction of “ASEAN Business Travel Card” scheme by referring to ongoing “APEC Business Travel Card” system

- Coordination of taxation and social security system to avoid double taxation and duplicated social security payment such as pensions in each AMS toward freer movement of ASEAN business persons

- Steady negotiation on Regional Comprehensive Economic Partnership (RCEP) toward development of more business-friendly framework

- Introduction of “Advance ruling” on import valuation in all AMSs