



**THE 44<sup>th</sup> ASEAN ECONOMIC MINISTERS' (AEM) MEETING  
27 – 28 August 2012, Siem Reap, Cambodia**

**JOINT MEDIA STATEMENT**

1. The 44<sup>th</sup> Meeting of the ASEAN Economic Ministers (AEM) was held on 27 – 28 August 2012 in Siem Reap, Cambodia. H.E. Cham Prasidh, Senior Minister and Minister of Commerce of Cambodia, chaired the Meeting, which was preceded by a preparatory meeting of the Senior Economic Officials (SEOM). The AEM also had joint meetings with the 26<sup>th</sup> ASEAN Free Trade Area (AFTA) Council and the 15<sup>th</sup> ASEAN Investment Area (AIA) Council.

**Economic Performance**

2. The Ministers welcomed the robust economic performance and continued resilience of ASEAN in 2011, which grew by 4.7% despite the heightened uncertainties in the global economy. The positive but moderate economic growth was underpinned by resilient domestic demand, strong macroeconomic fundamentals, sound balance sheets of banks and the corporate sector, and on-going structural reforms since 1997. We are confident that our economic expansion would remain healthy this year, with projected GDP growth of between 5.2% and 5.9%.

3. The Ministers were pleased to note that ASEAN's merchandise trade grew at 16.8% from US\$ 2.05 trillion in 2010 to US\$ 2.39 trillion in 2011 despite the slowdown global trade, with intra-ASEAN trade remained strong at US\$ 598 billion. Japan was the top export destination, followed by China, EU-27, and the United States. At the same time, export and import in services grew by about 10% in 2011. Travel, transportation, other business services, and financial services continue to be the top services export sectors.

4. The Ministers were also pleased that ASEAN maintained its position as one of the most attractive destinations for foreign direct investment (FDI), which reached US\$ 89.2 billion in 2011. The European Union (EU-27) remained the top source of FDI to ASEAN accounting for approximately 25% of total inward FDI to ASEAN. Japan and the United States were the second and third largest source of FDI, altogether accounting for 22.5% in total. Intra-ASEAN investment grew at 23% in 2011, reaching US\$ 17.5 billion or accounted for 19.7% of total inward FDI into ASEAN.

5. The Ministers agreed to remain vigilant against downside risks such as further contraction of external demand caused by sovereign debt crisis in Eurozone, fiscal problems in some developed economies, tighter global financing conditions, higher oil prices, and volatile global capital flows. The Ministers re-iterated that the region should continue to harness its competitive strength through deeper integration and greater macroeconomic and policy coordination, and to support demand and recovery by opening trade and investment and reducing barriers in all forms.

## **Implementation of the ASEAN Economic Community (AEC) Blueprint**

6. The Ministers recalled the Phnom Penh Agenda for ASEAN Community Building issued by the Leaders at the 20<sup>th</sup> ASEAN Summit held in Phnom Penh, Cambodia in April 2012, especially on the doubling of efforts to ensure the timely realisation of AEC by 2015 through the prioritisation of concrete key measures to address the challenges faced in implementing the AEC. The Ministers tasked all AEC sectoral bodies to allocate sufficient resources to realise their respective deliverables for 2015, in order to transform ASEAN into a single market and production base, and a highly competitive region with equitable economic development, fully integrated into the global economy.

7. The Ministers thanked the Economic Research Institute for ASEAN and East Asia (ERIA) for its contribution in undertaking the Mid-Term Review of the AEC Blueprint which highlighted the progress, challenges, and recommendations in moving forward on the implementation of the AEC Blueprint.

## **Equitable Economic Development**

8. The Ministers took note of the development in the implementation of the ASEAN Framework on Equitable Economic Development (AFEED) which includes a stocktaking exercise of the current work programme and capacity building initiatives undertaken by the various sectoral bodies, including sub-regional initiatives, small and medium enterprises (SME) development, food security, and the ASEAN Connectivity, among others.

9. The Ministers appreciated the successful convening of the 1<sup>st</sup> ASEAN Conference on Financial Inclusion, supported by the ASEAN Finance Ministries from 27-28 June 2012 in Jakarta, Indonesia and looked forward to close collaboration with the ASEAN Finance Ministers in overseeing the development of the work programmes for financial inclusion and SME financing for narrowing the development gap.

## **Priority Integration Sectors (PISs)**

10. The Ministers noted the outcome of the comprehensive update of the status of implementation of all PISs, including the activities undertaken by the Country Coordinators in the implementation of PIS Roadmap. The Ministers also urged participations of all ASEAN Member States at the upcoming workshops/meeting to be undertaken by Country Coordinators to take-stock of the PIS-specific roadmap.

## **Trade in Goods**

11. The Ministers were pleased with the progress of the implementation of the ASEAN Trade in Goods Agreement (ATIGA) of ASEAN Member States. With the signing of the Protocol to Amend Certain ASEAN Economic Agreements Related to Trade in Goods, which has been endorsed by the 26<sup>th</sup> AFTA Council, the list of eleven (11) ASEAN agreements to be superseded by the ATIGA will be administratively annexed to the ATIGA. While noting the progress made in finalising the domestic requirements for the Protocol, the Ministers agreed to sign the Protocol at the AEM Retreat in 2013.

12. Recognising the progress made in the ASEAN Committee on Sanitary and Phyto-sanitary (AC-SPS), the Ministers tasked the officials to further enhance the internal and external mechanism to enable the AC-SPS to play a vital role in trade facilitation while protecting human,

animal and plant life or health in the region in order to strengthen the realisation of the ASEAN Economic Community (AEC) by 2015.

### ***Tariff Liberalisation***

13. The Ministers noted that the transposition of ATIGA tariff reduction schedules from AHTN 2007 into AHTN 2012 and the issuance of legal enactments of ASEAN Member States are on-going. The Ministers endorsed the ATIGA tariff reduction schedules for AHTN 2012 of Indonesia, Lao PDR, and Thailand and urged other ASEAN Member States to accelerate the process to ensure the implementation of the AHTN 2012 by the end of this year.

### ***Elimination of Non-Tariff Barriers***

14. The Ministers noted several initiatives of ASEAN to address effectively the issues of non-tariff barriers i.e. the new classification of ASEAN Non-Tariff Measures (NTMs) database, the private sector engagement on trade impediments, and the discussion of actual cases on NTMs, and agreed in-principle to put the NTM database on the ASEAN Secretariat website. The Ministers re-iterated the need for transparency, proper notification, and consultation as required by the provisions of ATIGA in addressing NTMs implemented by ASEAN Member States.

### ***Self-Certification***

15. The Ministers noted the significant progress made under the 1<sup>st</sup> Self-Certification Pilot Project, which involves the participation of 4 ASEAN Member States, namely Brunei Darussalam, Malaysia, Singapore and Thailand. The Memorandum of Understanding among the Governments of the Participating Member States of the ASEAN on the 2<sup>nd</sup> Self-Certification Pilot Project for the Implementation of a Regional Self-certification System has been signed among Lao PDR, Indonesia, and the Philippines. The Ministers urged the participants of the two pilot projects to consult each other on the way forward in implementing the ASEAN-wide self-certification by 2015. Other Member States who have yet to participate are urged to consider participation in one of the two pilot projects available.

### ***ASEAN Single Window (ASW)***

16. The Ministers commended the substantial progress made in the implementation of the ASEAN Single Window (ASW), particularly the development of the endorsed design of the ASW architecture which commenced in November 2011 and is scheduled for completion towards the end of 2012. The ASW architecture includes a 2-month pilot testing among seven Member States on the exchange of the ASEAN Trade in Goods Agreement (ATIGA) Form D and the ASEAN Customs Declaration Document (ACDD).

17. The Ministers urged the ASWSC to expedite the work on the development of the ASW legal framework that would govern the actual implementation of the ASW legally across Member States and a crucial component for the successful implementation of the ASW Project.

18. Noting the importance of the National Single Windows (NSWs) in the implementation of the ASW, the Ministers urged the remaining Member States to expedite the development and implementation of their respective NSWs to ensure the timely realisation of ASW by 2015.

### ***Standards and Conformance***

19. The Ministers took note of the on-going efforts in the harmonisation of standards, mutual recognition arrangements for conformity assessments and technical regulations for the priority integration sectors. They encouraged ASEAN Member States to prioritise the measures to be implemented and to work towards the completion of the AEC blueprint.

### **Trade in Services**

20. The Ministers welcomed the completion of the 8<sup>th</sup> Package of services liberalisation commitment under the ASEAN Framework Agreement on Services (AFAS), underscoring the commitment of ASEAN Member States to work towards free flow of services by 2015. The package provides for at least 80 services subsectors with high degree of liberalisation, including allowing for foreign equity participation of at least 70% for the priority sectors and 51% for the other sectors.

21. To emphasise the commitment to work towards free flow of services by 2015, the Ministers tasked the Senior Officials to liberalise the remaining services subsectors through the 9<sup>th</sup> and 10<sup>th</sup> AFAS Packages by 2013 and 2015, respectively. The Ministers also endorsed the recommendation of the Senior Officials to work on the enhancement of the AFAS for completion in 2015 which, building upon current AFAS achievements, shall be comprehensive and forward-looking for post-AEC ASEAN integration.

22. The Ministers endorsed the ASEAN Agreement on Movement of Natural Person (MNP) for signing during the 21<sup>st</sup> ASEAN Summit in November 2012. This Agreement shall facilitate the movement of ASEAN people engaging in trade: in goods, trade in services and investment in the region.

### **Investment**

23. The Ministers noted that ASEAN has intensified programs/projects to promote and facilitate ASEAN as single investment area following the entry into force of the ASEAN Comprehensive Investment Agreement (ACIA) on 29 March 2012. ASEAN Member States, individually and collectively, have undertaken investment missions to promote intra-ASEAN investment and are currently developing an ASEAN Investment website and a Guidebook on ACIA. Concurrently, ASEAN also started implementing the Peer Review process under the *"Modality for the Elimination/Improvement of Investment Restrictions and Impediments in ASEAN Member States"* to monitor Member States' compliance/adherence to the ACIA provision on progressive liberalisation and improvement of the measures on investment. Aligned with ACIA, Member States have likewise implemented domestic reforms to improve their business environment, particularly in terms of facilitating investment, increasing transparency and achieving further liberalisation in the region.

### **Small and Medium Enterprises (SMEs)**

24. The Ministers noted the developments of regional cooperation on ASEAN SMEs, including: (i) on-going review of the Strategic Action Plan for ASEAN SME Development (2010-2015); (ii) launching of the Directory of Outstanding ASEAN SMEs 2011 in November 2011 and the plan to launch the Directory of Innovative ASEAN SMEs 2012 at the sideline of the ASEAN Business & Investment Summit (ASEAN-BIS) 2012; (iii) progress on the development of the

ASEAN SME Policy Index; and (iv) progress of the implementation of the ASEAN Framework for Equitable Economic Development (AFEED).

25. The Ministers noted the outcome of the first Joint Consultation between the ASEAN SME Advisory Board and the ASEAN Economic Ministers with the focus on SMEs' Access to Finance and SMEs' Access to Market and Internationalisation of SMEs. The Ministers deliberated on the progress of the SME projects and initiatives undertaken by the ASEAN SME Advisory Board and the ASEAN SME Working Group, as well as the challenges presented and considered the recommendations presented by the Board.

### **Intellectual Property**

26. The Ministers endorsed the ASEAN Working Group on Intellectual Property Cooperation (AWGIPC) Work Programme for 2012-2015. The Ministers noted that AWGIPC adopted the Implementation Work Plans for 28 initiatives under the five (5) Strategic Goals in the ASEAN IPR Action Plan for 2011-2015. The Ministers also noted that the ASEAN Patent Search and Examination Cooperation (ASPEC) has become operational on 30 April 2012 with the posting of requirements and procedures in the websites of all participating ASEAN IP Offices. The Ministers also noted (i) the signing of Memorandum of Cooperation on Industrial Property between the Intellectual Property Offices of the Member States of the ASEAN (ASEAN-IPOs) and the Japan Patent Office (JPO); (ii) the adoption of ASEAN-China Work Plan 2012 which focuses on databases on traditional knowledge and traditional Chinese medicines, national intellectual property strategy at the provincial level, and cloud patent examination solution; and (iii) the endorsement of capacity building activities under Arrangement between the ASEAN Secretariat and the United States Patent and Trademark Office (USPTO) on Cooperation in the Field of IPRs for 2013.

27. The Ministers noted the outcome of consultation between the ASEAN Economic Ministers (AEM) and Director General Dr. Francis Gurry of the World Intellectual Property Organisation (WIPO) which focused on strengthening WIPO-ASEAN cooperation in the framework of the ASEAN IPR Action Plan for 2011-2015.

### **Competition Policy**

28. The Ministers noted the good progress in the implementation of competition policy and law in ASEAN Member States, in particular the entry into force of Malaysia's competition law in January 2012, and the establishment of the Office for Competition under Department of Justice as the Philippines' competition authority in June 2011.

### **Consumer Protection**

29. The Ministers welcomed (i) the completion of ACCP website <[www.aseanconsumer.org](http://www.aseanconsumer.org)> which was launched at the 5<sup>th</sup> ACCP Meeting in Bali on 2-4 May 2012; and (ii) the launch of ASEAN Consumer Complaints Leaflet on 3 April 2012. The ACCP website will serve as the main reference point for matters pertaining to consumer redress.

### **ASEAN Community Statistical System (ACSS)**

30. The Ministers noted the on-going work towards the establishment of the ASEAN Community Statistical System (ACSS) by 2015, including the strengthening of its institutional framework, planning, monitoring, and quality assessment mechanisms, as well as the

improvement of availability of trade in goods, trade in services, investment statistics and the MDG indicators. The Ministers also expressed support to the initiative for a voluntary secondment programme to the ASEANStats and tasked ASEAN Secretariat to explore the possible funding and arrangement for this programme.

### **Public-Private Sector Engagement**

31. The Ministers underscored high importance and priority in engaging with the private sector as the inputs and recommendations raised by the private sector are crucial to the successful economic integration of the region. The Ministers noted the public-private sector engagements (PPE) that ASEAN have at all level with the ASEAN business organisations and the foreign business organisations based in ASEAN, ranging from business summit, business dialogue, trade fair and exposition.

32. The PPE activities to date include, among others, the 2nd ASEAN-EU Business Summit, ASEAN-Latin Business Summit, the 5<sup>th</sup> Dialogue between Secretary-General of ASEAN and the Federation of Japanese Chamber of Commerce and Industries in ASEAN (FJCCIA), and the 1<sup>st</sup> ASEAN-US Business Summit, which was recently inaugurated alongside the 44th AEM.

33. The Ministers supported and urged participations of the public and private sectors from all the ASEAN Member States at the upcoming events namely (i) the 9<sup>th</sup> China-ASEAN Expo (CAEXPO) and the 9<sup>th</sup> China-ASEAN Business Summit (CABIS) to be convened from 21 to 25 September 2012 in Nanning, China; (ii) ASEAN-BIS to be convened alongside the 21<sup>st</sup> ASEAN Summit on 16-18 November 2012 in Phnom Penh, Cambodia; and (iii) the 2<sup>nd</sup> India-ASEAN Business Fair (AIBF) and Business Conclave on 18 December 2012 in New Delhi, India.

### **External Economic Relations**

34. The Ministers urged ASEAN Member States to be conscious of the importance and need to implement their commitments made in the various ASEAN plus 1 FTAs in a timely manner to ensure the opportunities arising from these Agreements are made available to all ASEAN Member States for maximum benefits. The Ministers also underscored the need to complete the transposition of tariff reduction schedules from AHTN 2007 to AHTN 2012 in all ASEAN plus 1 FTAs, in order to avoid implementation problems that may arise.

### **Technical Assistance and Capacity-Building**

35. The Ministers expressed appreciation to ASEAN's dialogue and development partners' continuing contribution through technical assistance and capacity building facilities, i.e. ASEAN-Australia Development Cooperation Programme II (AADCP II), ASEAN Regional Integration Support from the EU (ARISE), ASEAN Development Vision to Advance National Cooperation and Economic Integration (ADVANCE) from the US, and operationalisation of the ASEAN-ADB Memorandum of Understanding (2012-2015). These technical assistance facilities provide support to ASEAN's community-building efforts and institutional strengthening.



## 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. Kong Vibol**, Secretary of State, Ministry of Economy and Finance, and Vice Chairman of the Council for the Development of Cambodia, Cambodia.
4. **H.E. Gita Wirjawan**, Minister of Trade of Indonesia
5. **H.E. Muhamad Chatib Basri**, Chairman of Investment Coordinating Board, Indonesia
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**, Union 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. **H.E. Boonsong Teriyapirom**, Minister of Commerce, Thailand
12. **H.E. Pongsvas Svasti**, Minister of Industry, Thailand
13. **H.E. Vu Huy Hoang**, Minister of Industry and Trade, Viet Nam
14. **H.E. Nguyen Van Trung**, Deputy Minister of Planning and Investment, Viet Nam
15. **H.E. Surin Pitsuwan**, Secretary-General of ASEAN