

**JOINT ANNOUNCEMENT OF
THE JAPANESE AND THE MALAYSIAN PRIME MINISTERS ON
THE INITIATION OF NEGOTIATIONS FOR ESTABLISHING
THE JAPAN-MALAYSIA ECONOMIC PARTNERSHIP AGREEMENT**

11th December 2003 in Tokyo

- 1. The Prime Minister of Japan, His Excellency Mr. Junichiro Koizumi, and the Prime Minister of Malaysia, His Excellency Dato' Seri Abdullah bin Haji Ahmad Badawi, expressed satisfaction on the existing close economic and strategic relations between the two countries that have been forged through fruitful co-operation over the years, and recognised with great appreciation that such close ties have fostered mutual economic and strategic benefits and opportunities for the two countries and their peoples. Reaffirming the feasibility and desirability of further strengthening their economic partnership, the two Prime Ministers have decided to create an enduring framework between the two countries in the form of the Japan-Malaysia Economic Partnership Agreement (JMEPA).**

- 2. The two Prime Ministers welcomed the report of the Joint Study Group and expressed their satisfaction over the work undertaken by the Working Group and the Joint Study Group. The two Prime Ministers fully concurred that trade and investment liberalisation and facilitation would help create a larger market which would provide greater opportunities and larger economies of scale for Japanese and Malaysian businesses. The two Prime Ministers acknowledged that meaningful bilateral co-operation in various areas including capacity building through sharing of expertise would further accelerate economic growth. The two Prime Ministers expressed their hope that the JMEPA would have a positive and demonstrative impact on other economies, particularly in East Asia, and that it would help further develop and enhance the comprehensive economic partnership between Japan and ASEAN.**

- 3. Taking cognizance of the above factors, the two Prime Ministers hereby decided that the governments of the two countries should enter into negotiations on the JMEPA and work expeditiously to conclude it, based upon the discussions and achievements gained in the process of the Working Group and the Joint Study Group. This agreement should encompass the broad-ranging areas discussed in the Joint Study Group, while giving due consideration to the need for flexibility to deal with sensitive areas. They also decided that the negotiations should begin in early 2004, and be concluded within a reasonable period of time.**