

**THE SEVENTH CONSULTATIONS BETWEEN THE
ASEAN ECONOMIC MINISTERS AND THE MINISTER OF
INTERNATIONAL TRADE AND INDUSTRY OF JAPAN**

7 October 2000, Chiang Mai, Thailand

JOINT PRESS STATEMENT

1. The ASEAN Economic Ministers held their seventh consultations with the Minister of Trade and Industry of Japan in Chiang Mai, Thailand on 7 October 2000.
2. The Consultations was co-chaired by H.E. Dr. Supachai Panitchpakdi, Deputy Prime Minister and Minister of Commerce of Thailand and H.E. Mr Takeo Hiranuma, Minister of International Trade and Industry, Japan.
3. The Ministers noted the many important developments in the economic relations between ASEAN and Japan that had taken place since their last consultations in Kuala Lumpur, Malaysia on 18 October 1997. These included the establishment of the AEM-MITI Economic and Industrial Cooperation Committee (AMEICC) in 1998 and the adoption of the Joint Action Plan by AEM-MITI during the Third ASEAN Informal Summit in November 1999 in Manila, Philippines.

ASEAN-JAPAN TRADE AND INVESTMENT RELATIONS

4. The Ministers noted that the Japanese economy had continued to grow gradually. The Ministers also noted that Japan would continue to actively promote economic structural reforms to ensure that the economic growth be driven by the private sector. In this regard, the Ministers welcomed Japan's efforts to develop action plans for economic structural reforms and to establish a basic law to guide IT policies.
5. The Ministers noted the strong economic recovery in ASEAN and expressed satisfaction with the implementation of AFTA, AICO and AIA. The Ministers also noted that 85% of the products in the Inclusion List of the CEPT Scheme already have tariffs of 0-5% and that total AICO transactions were in the order of US \$ 700 million in 1999.
6. The Ministers reviewed the developments in ASEAN-Japan trade and investment relations. The Ministers noted that two-way trade between ASEAN and Japan showed positive growth in 1999. The Ministers recognised the close economic interdependence between ASEAN and Japan and the fact that revitalisation of the Japanese economy is necessary for that of the ASEAN economy, and vice versa. The

Ministers also recognised the importance of further promoting bilateral trade and investment between ASEAN and Japan and were pleased with the outcome of the ASEAN Investment Mission to Japan led by H.E, Dato Seri Rafidah Aziz held on 28-29 February 2000. The Ministers expressed the hope that similar missions could be undertaken in the future to boost Japanese investor interest in ASEAN. The Ministers welcomed the holding of the "ASEAN-Japan Business Round Table" and the joint investment promotion mission to Japan on 24-25 October 2000.

AMEICC

7. Brunei Darussalam and Japan briefed the Ministers on the outcome of the Third AMEICC Meeting held on the same day.

8. The Ministers welcomed the progress made in the AMEICC work programme. They were pleased with efforts that had been undertaken to strengthen the Centres of Excellence (COEs) in ASEAN and their networking, and welcomed Japan's new initiative to dispatch experts who can provide necessary equipment for their technical assistance to some COEs in new member countries. The Ministers welcomed SME promotion initiative such as project to introduce the SME Evaluation System ("Shindan"). The Ministers also noted the progress in finalising the Work Programme of the AMEICC Working Group on the West East Corridor (WEC) for the development of the Mekong Basin and expressed their hope for early implementation of the Programme. The Ministers noted the launching of the overall competitiveness study and agreed that the results of the study would be reported to the next AEM-MITI consultations.

9. The Ministers approved the revised AMEICC work programme, which incorporated some elements of the AEM-MITI Joint Action Plan issued at the Third Informal ASEAN Summit in Manila in November 1999. This included acceleration of regional economic integration, trade and investment promotion, human resources development, small and medium enterprises (SMEs) and supporting industries (SIs) policy upgrading and economic integration of new ASEAN members.

INTERNATIONAL AND REGIONAL ECONOMIC ISSUES

10. The Ministers exchanged views on international and regional economic issues of concern, including the World Trade Organisation (WTO), the Asia Pacific Economic Cooperation (APEC) and the Asia Europe Meeting (ASEM).

World Trade Organisation

11. The Ministers supported the acceleration of the WTO accession process for Cambodia, Laos and Viet Nam. The Ministers emphasised the importance of a rule-based multilateral trading system and agreed on the need for a balanced agenda for the interests of developing countries to be taken into account in any new round of WTO negotiations, and expressed the importance of the launching of a new round at the earliest opportunity. The Ministers reiterated that the agenda of a new round should be sufficiently broad-based to reflect a balance of interests and concerns of all WTO members. The Ministers emphasised the need for improved market access in industrial goods in addition to agriculture and services, as well as the improvement and development of rules and disciplines such as anti-dumping agreement. The Ministers agreed that the WTO should respond to the needs of the global economy in the 21st century. In this context, the Ministers shared the view on the need to examine the applicability of WTO rules to e-commerce. The Ministers also agreed on the need for enhanced capacity building for the implementation of the WTO Agreements in developing countries.

Asia Pacific Economic Cooperation

12. The Ministers commended Brunei Darussalam on its Chairmanship of APEC and expressed their strong support for the realization of the APEC 2000 theme of "Delivering to the Community". In recognition of the need to enhance APEC work on capacity building, Ministers expressed their full support for Brunei Darussalam's initiative in Human Resources Development in particular in bringing together all stakeholders to develop strong partnerships in providing better access to information and communication technology. The Ministers also welcomed the preparations being undertaken by Brunei Darussalam for the forthcoming APEC Economic Leaders Meeting (AELM) on 15 -16 November 2000. The Ministers welcomed the progress of capacity building initiative for the implementation of WTO Agreements.

Asia Europe Meeting

13. The Ministers noted the preparations for the Third Asia-Europe Meeting (ASEM III), which will be held on 20-21 October 2000 in Seoul, Korea. The Ministers underlined the importance of ASEM III and agreed to play an active role in the ASEM III process. They also expressed their strong support for the realization of its theme calling for "Asia-Europe Partnership for Prosperity and Stability in the New Millennium".

IT Promotion

14. The Ministers emphasised the importance of IT promotion in Asia and welcome Japan's announcement that it would support IT promotion in Asia through, among other ways, human resource development in the IT area, development of business rules to facilitate transnational e-commerce transactions and the establishment of e-government. To this end, Japan expressed its intention to dispatch a mission to study the needs of ASEAN countries.

15. The Ministers agreed that, in light of the e-ASEAN initiative, IT promotion and the narrowing of the digital divide should be a major focus for future ASEAN-Japan cooperation.

Oil Prices

16. The Ministers noted the risks posed by oil price volatility to the world economic recovery and for developing economies that are heavily dependent on oil market conditions, and the need to stabilise prices at sustainable levels. In the light of rising world demand, they called for appropriate increase in supplies and other necessary measures to promote long-term price stability in the mutual interests of consumers and producers.

PREPARATIONS FOR THE FOURTH ASEAN-JAPAN SUMMIT

17. The Ministers noted the preparations being undertaken by Singapore for the Fourth ASEAN-Japan Summit, which will be held back-to-back with the Fourth ASEAN Informal Summit on 24-25 November 2000.

LIST OF MINISTERS

The Meeting was attended by:

- (i) H.E. Dr. Supachai Panitchpakdi, Deputy Prime Minister and Minister of Commerce, Thailand;
- (ii) H.E. Mr. Takeo Hiranuma, Minister of International Trade and Industry, Japan;
- (iii) H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam;
- (iv) H.E. Mr. Cham Prasidh, Minister of Commerce, Cambodia;
- (v) H.E. Mr. Luhut B. Pandjaitan, Minister of Industry and Trade, Indonesia;
- (vi) H.E. Mr. Soulivong Daravong, Minister of Industry and Handicrafts, Lao PDR;
- (vii) Hon. Tan Sri Asmat Kamaludin, Secretary-General, Minister of International Trade and Industry, Malaysia;
- (viii) H.E. Brigadier General David O. Abel, Minister at the Office of the Chairman of the State Peace and Development Council, Myanmar;
- (ix) Mr. Jose Antonio S. Buencamino, Assistant Secretary, Department of Trade and Industry, Philippines;
- (x) H.E. B.G. (NS) George Yeo, Minister for Trade and Industry, Singapore;
- (xi) H.E. Mr. Vu Khoan, Minister of Trade, Viet Nam; and
- (xii) H.E. Mr. Rodolfo C. Severino, Jr., Secretary-General of ASEAN.