

**THE SECOND MEETING OF THE ASEAN ECONOMIC MINISTERS
AND THE MINISTERS OF PEOPLE'S REPUBLIC OF CHINA,
JAPAN AND REPUBLIC OF KOREA
7 October 2000, Chiang Mai, Thailand**

Joint Press Statement

1. The ASEAN Economic Ministers and Ministers from the People's Republic of China, Japan and the Republic of Korea held their second meeting consultations in Chiang Mai, Thailand on 7 October 2000.

2. The Ministers recalled the mandate of their Leaders at the ASEAN and People's Republic of China, Japan and Republic of Korea Summit in November 1999 in Manila, Philippines to further enhance cooperation between ASEAN and the three Northeast Asian countries through the implementation of the Joint Statement on East Asia Cooperation.

PRIORITY AREAS OF COOPERATION

3. The Ministers identified the following priority areas of cooperation between ASEAN and the three Northeast Asian countries as possible highlights of the Second ASEAN and People's Republic of China, Japan and Republic of Korea Summit to be held in Singapore on 24 November 2000:

- (i) Strengthening efforts in accelerating trade, investment and technology transfer;
- (ii) Encouraging technical cooperation in information technology and e-commerce; and
- (iii) Strengthening small and medium sized enterprises and supporting industries.

4. The Ministers considered and endorsed the following criteria for deciding on project proposals to implement the priority areas of cooperation:

- (i) Projects should be regional in nature and benefit all member countries under the framework of the AEM+3 cooperation;
- (ii) The projects could be implemented with the participation of as many member countries as possible (based on 13-X principle). However, these projects should involve, at the minimum, participation by any two (2) ASEAN member countries and any

two (2) countries from People's Republic of China, Japan and Republic of Korea;

(iii) Projects should be implemented on a cost-sharing basis. Nevertheless some flexibility could be provided to the new members of ASEAN namely Cambodia, Lao PDR, Myanmar and Viet Nam; and

(iv) Project proposals should be approved by the Senior Economic Officials.

5. The Ministers tasked Senior Economic Officials to come up with projects proposals in the identified priority areas of cooperation based on the above criteria and report the progress of the implementation of the proposals to the next AEM+3 meeting.

6. The Ministers noted the large flow of trade between ASEAN and the three Northeast Asian countries, which in 1999, totalled US\$ 131.3 billion. The Ministers agreed that the implementation of the projects would further enhance intra-East Asia trade and investments, strengthen the region's manufacturing supply chain and advance the prospects of the region in the new economy.

7. The Ministers agreed to institutionalise the AEM+3 and SEOM+3 process. The Ministers also agreed to meet again in Siem Reap, Cambodia in May 2001 back-to-back with the AEM Retreat.

INTERNATIONAL AND REGIONAL ECONOMIC ISSUES

8. 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

9. The Ministers supported the acceleration of the WTO accession process for Cambodia, the People's Republic of China, 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 needs for enhanced capacity building for the implementation of the WTO Agreements in developing countries.

Asia Pacific Economic Cooperation

10. 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

11. The Ministers noted and expressed their appreciation for the preparations being undertaken by the Republic of Korea 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".

Oil Prices

12. 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.

PREPARATION FOR THE SECOND ASEAN AND PEOPLE'S REPUBLIC OF CHINA, JAPAN AND REPUBLIC OF KOREA SUMMIT

13. The Ministers were informed of the preparations being undertaken by Singapore for the Second ASEAN and People's Republic of China, Japan and Republic of Korea Summit, which will be held on 24 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. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam
- iii. H.E. Mr. Cham Prasidh, Minister of Commerce, Cambodia
- iv. H.E. Mr. Zhou Keren, Vice Minister of Foreign Trade and Economic Cooperation, People's Republic of China;
- v. H.E. Mr. Luhut Pandjaitan, Minister of Industry and Trade, Indonesia;
- vi. H.E. Mr. Mr. Takeo Hiranuma, Minister of International Trade and Industry, Japan;
- vii. H.E. Mr. Han Duck-Soo, Minister of Trade, Republic of Korea;
- viii. H.E. Mr. Soulivong Daravong, Minister of Industry and Handicrafts, Lao PDR;
- ix. H.E. Dato' Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia
- x. H.E. Brigadier General David O. Abel, Minister at the Office of the Chairman of the State Peace and Development Council, Myanmar
- xi. Mr. Jose Antonio S. Buencamino, Assistant Secretary, Department of Trade and Industry, Philippines;
- xii. H.E. B.G. (NS) George Yeo, Minister for Trade and Industry, Singapore;
- xiii. H.E. Mr. Vu Khoan, Minister of Trade, Viet Nam; and
- xiv. H.E. Mr. Rodolfo C. Severino, Jr., Secretary-General of ASEAN.