

THE TENTH CONSULTATION BETWEEN THE ASEAN ECONOMIC MINISTERS
AND THE MINISTER OF ECONOMY, TRADE AND INDUSTRY OF JAPAN
(AEM - METI)

3 September 2003, Phnom Penh, Cambodia

Joint Media Statement

1. The Tenth Consultation between the ASEAN Economic Ministers (AEM) and the Minister of Economy, Trade and Industry (METI) of Japan was held in Phnom Penh, Cambodia on 3 September 2003. The Consultation was co-chaired by H.E. Mr. Cham Prasidh, Minister of Commerce, Cambodia and H.E. Mr. Takeo Hiranuma, Minister of Economy, Trade and Industry of Japan.

ASEAN-Japan Trade and Investment Relations

2. The Ministers exchanged views on the global economic environment and recent developments in ASEAN and Japan. The Ministers noted that resulting from the global economic downturn, the trade volume between the two sides decreased by 3.93% from US\$ 101.64 billion in 2001 to US\$ 97.6 billion in 2002. In 2002, ASEAN exported US\$ 44.56 billion or 11.7% of her total exports to the world to Japan and imported US\$ 53.1 billion or 16.3% of her total imports from Japan. Japanese investment increased by 77% from US\$ 1.75 billion in 2001 to US\$ 3.1 billion in 2002.

3. ASEAN informed Japan of some of the measures she is taking to counter the impact of the global economic slowdown which includes deeper integration through the acceleration of the ASEAN Free Trade Area (AFTA), ASEAN Investment Area (AIA), e-ASEAN Initiative and the Initiative for ASEAN Integration (IAI). Japan also briefed the ASEAN Ministers on the measures she is taking to restructure and revitalise her economy.

Progress of the ASEAN-Japan Committee on Comprehensive Economic Partnership

4. The Ministers were pleased with the work of the Committee in drafting the Framework for Comprehensive Economic Partnership (CEP) between ASEAN and Japan which will be submitted to the Leaders for their consideration and signing at the ASEAN-Japan Summit in Bali, Indonesia in October 2003. The draft Framework is comprehensive incorporating measures for immediate implementation, facilitation and cooperation and also the aspect of liberalization for trade in goods, services and

investment. The Ministers noted that the CEP between ASEAN and Japan would further promote bilateral trade and investment between the two parties.

5. The Ministers agreed to recommend to the Leaders that ASEAN and Japan should proceed with the implementation of the elements of the CEP as soon as possible by 2012, taking into account the economic levels and sensitive sectors of each country, including allowing additional five years for the newer ASEAN member countries. For this purpose, the Ministers also agreed to recommend to the Leaders that consultations of the CEP start from the beginning of 2004. They also agreed that both ASEAN and Japan shall exert maximum efforts to commence their negotiations from the beginning of 2005 and endeavour to conclude such negotiations as soon as possible while taking into account the need to leave sufficient time to its implementation.

6. The Ministers welcomed Japan's new initiative (Cooperation for ASEAN-Japan Economic Partnership), which aims at accelerating the realization of ASEAN-Japan Comprehensive Economic Partnership (AJCEP). Under the initiative, Japan will assist ASEAN in the following areas:

- (i) Strengthening Trade and Investment Partnership, including support for financing in local currency, industrial human resources development, development of institutional and hard infrastructure for further economic integration among ASEAN and Japan;
- (ii) Strengthening Competitiveness and Industrial Cooperation, including automobile industrial cooperation, promotion of small and medium enterprises and IT cooperation;
- (iii) Assisting New Member Countries of ASEAN, including entrepreneurship education support program for developing competitive local business.

7. The Ministers requested the officials to consider the proposals and work out the implementation details. The ASEAN Ministers expressed their hope of timely implementation of the initiative, which shall be an important part of AJCEP.

AEM-METI Economic and Industrial Cooperation Committee (AMEICC)

8. The meeting of AEM-METI Economic and Industrial Cooperation Committee (AMEICC) was held as part of the Tenth AEM-METI Consultations. The Ministers noted with appreciation that the projects under AMEICC have been implemented in a timely and effective manner. In particular, the Ministers acknowledged that AMEICC had contributed to the improvement of ASEAN competitiveness by enhancing the linkage

with private sectors. The Ministers noted that under the COE Follow-up Program, effective training projects are formulated based on the inputs from local business. The Ministers also welcomed business matching of SMEs through internet and exhibitions and noted the development of cooperation for new member countries, including the promotion of local SMEs and regional business linkages.

9. The Ministers encouraged all AMEICC Working Groups to further expedite the implementation of their respective projects under the AMEICC Work Programme and to foster trade and investment facilitation and promotion activities.

Other Areas of Economic Cooperation

10. The Ministers welcomed the ASEAN-Japan Investment-Business Alliance Seminar (AJBIS) which will be organized during the ASEAN 褒apan Commemorative Summit in December 2003 in Tokyo, Japan. The meeting of the ASEAN-Japan Business Forum (AJ-BF) will be held in conjunction with AJBIS. The Ministers concurred that this Seminar will enhance trade and investment relations between ASEAN and Japan.

11. The Ministers welcomed the four-year fruitful cooperative partnership through the Senior Officials Meeting on Energy (SOME)-METI Consultations which developed energy policy dialogues and capacity building programmes such as upgrading energy database and energy conservation projects.

LIST OF MINISTERS

- (i) H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam;
- (ii) H.E. Mr. Cham Prasidh, Minister of Commerce, Cambodia;
- (iii) H.E. Mrs. Rini M.S. Soewandi, Minister of Industry and Trade, Indonesia;
- (iv) H.E. Mr. Takeo Hiranuma, Minister of Economy, Trade and Industry, Japan;
- (v) H.E. Mr. Soulivong Daravong, Minister of Commerce, Lao PDR;
- (vi) H.E. Dato • Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia;
- (vii) H.E. U Khin Maung Win, Deputy Minister of Foreign Affairs, Myanmar;
- (viii) H.E. Mr. MAR Roxas, Secretary of Trade and Industry, the Philippines;
- (ix) H.E. B.G. (NS) George Yeo, Minister for Trade and Industry, Singapore;
- (x) H.E. Mr. Adisai Bodharamik, Minister of Commerce, Thailand;
- (xi) H.E. Mr. Truong Dinh Tuyen, Minister of Trade, Viet Nam; and
- (xii) H.E. Mr. Ong Keng Yong, Secretary-General of ASEAN.