



**THE ELEVENTH ASEAN ECONOMIC MINISTERS
AND THE MINISTER OF ECONOMY, TRADE AND INDUSTRY OF JAPAN
CONSULTATION**

4 September 2004

Joint Media Statement

1. The Eleventh Consultation between the ASEAN Economic Ministers (AEM) and the Minister of Economy, Trade and Industry (METI) of Japan was held in Jakarta, Indonesia on 4 September 2004. The Consultation was co-chaired by H.E. Rini M.S. Soewandi, Minister of Industry and Trade, Indonesia and H.E. Shoichi Nakagawa, Minister of Economy, Trade and Industry of Japan.

ASEAN-Japan Trade and Investment Relations

2. The Ministers exchanged views on recent developments in ASEAN and Japan. The Ministers noted that ASEAN and Japan continued to be important trading partners. In 2003, ASEAN exported to Japan US\$50.3 billion or 11.7% of her total exports to the world and imported from Japan, US \$58 billion or 16% of her total imports from the world. Meanwhile, Japanese direct investments to ASEAN increased by 17% from US\$1.76 billion in 2002 to US\$2.06 billion in 2003. Japanese direct investment accounted for 10% of total foreign direct investments in 2003.
3. ASEAN informed Japan of her efforts in deepening ASEAN integration, in particular, her focus on Eleven Priority Sectors. Japan also briefed the ASEAN Ministers on measures that have revitalised her economy.

Progress of Work under the Framework of ASEAN-Japan Comprehensive Economic Partnership (AJCEP)

4. The Ministers welcomed the revision of the Terms of Reference (TOR) of the ASEAN-Japan Committee on Comprehensive Economic Partnership (AJCCEP), making it the forum for consultations and negotiations on various areas/sectors under the Framework and welcomed the establishment of a Working Group of Rules of Origin. The Ministers noted the progress of work of AJCCEP and the Working Group in moving forward discussions.
5. It was agreed that the Leaders should be informed of the latest developments

under the Framework of ASEAN-Japan Comprehensive Economic Partnership with focus on the following items:

- A framework of ASEAN-Japan cumulative rules of origin
 - Possible basic structure and its main elements of the ASEAN-Japan CEP Agreement (AJCEP Agreement)
 - The results of the implementation of "Measures for Immediate Implementation"
 - The work programmes for "Facilitation and Cooperation"
6. The Ministers noted with approval the arrangements that AJCCEP had made for the WGROO to develop a Framework for the AJCEP cumulative rules of origin by the Vientiane Summit in November 2004 so as to enable both sides to commence negotiation on the AJCEP Agreement.
 7. The Ministers welcomed the ASEAN-Japan Business Dialogue as a "Measure for Immediate Implementation", which will be organized in conjunction with the ASEAN Trade Fair in Viet Nam in October 2004 and the ASEAN Summit in Lao PDR in November 2004. The Ministers concurred that these business dialogues will enhance trade and investment relations between ASEAN and Japan. The Ministers noted with appreciation that the private sector will also discuss the ASEAN-Japan CEP Agreement.
 8. In view of these developments, the Ministers agreed to recommend to the Leaders that ASEAN and Japan should commence the negotiation on the AJCEP Agreement in April 2005. They also committed to endeavour to conclude the negotiation within two years from that date.
 9. Mindful of the Vientiane Summit in November 2004 and the start-date for commencing negotiation, the Ministers therefore instructed the AJCCEP to reinforce its work and determine for itself the most appropriate modes of achieving this purpose and the most appropriate meeting schedules.
 10. The Ministers also gave guidance for AJCCEP to resolve pending issues. They instructed the Committee to explore a compatible and orderly relationship between the AJCEP Agreement with on-going bilateral EPA negotiations between Japan and individual ASEAN Member Countries.
 11. The Ministers welcomed steady implementation and development of ASEAN-Japan Economic Partnership Cooperation which was proposed by Japan in the last AEM-METI consultation at Phnom Penh, 2003. Various projects are in the pipeline to help accelerate the realization of ASEAN-Japan Comprehensive Economic Partnership, in order to strengthen trade and investment partnership, to strengthen competitiveness and industrial cooperation, and to support for newer member countries.

12. The Ministers also welcomed Japan's new initiative (Cooperation towards Intra-ASEAN/ASEAN-Japan Economic Integration), which aims at accelerating ASEAN economic integration and strengthening the ASEAN-Japan economic partnership. Under the initiative, Japan will assist ASEAN in the following areas:
- (i) Cooperation towards Trade and Investment Facilitation, including an exchange of views on the merit of establishing a possible ASEAN-Japan trade-related computerized system that employs Radio Frequency Identification (RFID or IC tags), and cooperation for establishing the technological infrastructure of e-commerce in Member Countries;
 - (ii) Cooperation for Newer Member Countries, including support for human resources development, strengthening technological base, establishing industrial and logistical networks, and promoting trade and investment.
 - (iii) Cooperation for Strengthening the Basis for Industrial Development towards ASEAN Economic Integration, including support for human resources development and establishment of supportive systems in the fields of automobile, SMEs and IT, and support for promoting innovation, with collaboration among industry, academia and government.

AEM-METI Economic and Industrial Cooperation Committee (AMEICC)

13. The meeting of the AEM-METI Economic and Industrial Cooperation Committee (AMEICC) was held as part of the Eleventh 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 welcomed Japan's new initiative "COE Progressive Development Program" aiming at further strengthening and networking of COEs in ASEAN. The Ministers noted with satisfaction that "AMEICC Automotive Initiative" will proactively support the eleven priority sector integration in ASEAN. The Ministers also welcomed the "West-East Corridor Comprehensive Industrial Development Program" to narrow the development gap among ASEAN countries through establishment of industrial and logistical network among CLMV countries.
14. The Ministers encouraged all AMEICC Working Groups to expedite the implementation of their respective projects under the AMEICC Work Programme and to continue to foster trade and investment facilitation and promotion. The Ministers tasked SEOM-METI and AMEICC Secretariat to work on the enhancement of AMEICC over the next year so that AMEICC can effectively and efficiently facilitate economic integration in ASEAN, accelerate AJCEP process and support preparation for East Asia Community.

Other Areas of Cooperation

15. The Ministers welcomed the fifth ASEAN-Japan Senior Officials Meeting on Energy (SOME-METI) Consultation in June 2004 in Makati City, Philippines, that commenced the second phase of upgrading the 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, Senior Minister and Minister of Commerce, Cambodia;
- (iii) H.E. Ms. Rini M.S. Soewandi, Minister of Industry and Trade, Indonesia;
- (iv) H.E. Mr. Shoichi Nakagawa, 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 Tin Winn, Minister for Economic Cooperation, Myanmar;
- (viii) H.E. Dr. Thomas G. Aquino, Undersecretary of Trade and Industry, Philippines;
- (ix) H.E. Mr. Lim Hng Kiang, Minister for Trade and Industry, Singapore;
- (x) H.E. Mr. Watana Muangsook, 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.