



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

29 September 2005

JOINT MEDIA STATEMENT

1. The Twelfth AEM-METI Consultation was held in Vientiane, Lao PDR on 29 September 2005. The Consultation was co-chaired by H.E. Mr. Soulivong Daravong, Minister of Commerce of Lao PDR; and H.E. Mr. Hachiro Okonogi, Senior Vice Minister of Economy, Trade and Industry of Japan.

ASEAN-JAPAN TRADE AND INVESTMENT RELATIONS

2. The Ministers exchanged views on recent global and regional developments, particularly those which can significantly influence ASEAN-Japan economic partnership. Japan has constantly been one ASEAN's major trading partner. In 2004, Japan overtook the US as ASEAN's largest trading partner. The Ministers noted that after a negative growth in 2002, ASEAN-Japan bilateral trade has grown steadily. In 2004, total trade increased by 19.9% or from US\$ 113.4 billion in 2003 to US\$ 135.9 billion in 2004. As of the first quarter of 2005, bilateral trade between ASEAN and Japan was already valued at US\$ 29.8 billion.

3. Japan is also ASEAN's third largest source of FDI. Japanese FDI increased by 9.5% from US\$ 232 billion in 2003 to US\$ 254 billion in 2004.

PROGRESS OF WORK UNDER THE FRAMEWORK OF ASEAN-JAPAN COMPREHENSIVE ECONOMIC PARTNERSHIP (AJCEP)

4. The Ministers noted the progress of the AJCEP negotiations and efforts exerted by the ASEAN-Japan Committee on Comprehensive Economic Partnership (AJCCEP) to move forward the negotiations.

5. The Ministers reaffirmed their commitment to implement the measures for the realization of the AJCEP, including elements of a possible free trade area in accordance with the Framework for Comprehensive Economic Partnership between ASEAN and Japan.

6. The Ministers instructed the AJCCEP to explore measures to accelerate negotiations in order to realize the AJCEP.

JAPAN'S NEW ECONOMIC COOPERATION INITIATIVE: COOPERATION TOWARDS INTRA-ASEAN/ASEAN-JAPAN ECONOMIC INTEGRATION

7. The Ministers welcomed the steady implementation and development of the ASEAN-Japan Economic Partnership Cooperation, which was proposed by Japan at the AEM-METI Consultations in Jakarta in 2004. Various projects such as facilitation of trade and investment, cooperation for the CLMV countries, and enhancement of the basis for ASEAN's industrial development are in the pipeline to help accelerate ASEAN economic integration and strengthen ASEAN-Japan economic partnership.

8. The Ministers also welcomed Japan's new initiative (Cooperation towards Intra-ASEAN/ASEAN-Japan Economic Integration 2005). The Ministers noted that under this new Initiative, Japan will assist ASEAN in the following areas:

- (a) Cooperation towards Intra-ASEAN/ASEAN-Japan economic integration, which includes conducting test-run projects on Radio Frequency Identification (RFID or IC tags) in actual business environment in Japan and ASEAN countries, and organizing a workshop on sustainable development (e.g. energy conservation and recycling);
- (b) Cooperation for the CLMV countries to include designating February 2006 as the "Month for Promoting the Mekong Region" in Japan, holding a "Mekong Exhibition" and other monumental projects to promote investments into the CLMV countries during the period; and
- (c) Strengthening financial management capability of SMEs in ASEAN.

9. The Ministers also noted the organization of a CLMV-Japan Ministerial Meeting on 30 September 2005. The Ministers agreed to undertake more cooperation activities to support the development of sub-regional areas including the BIMP-EAGA.

10. The ASEAN Ministers expressed their appreciation to Japan for her continuing support to ASEAN, particularly in its efforts to narrow the development gaps between Member Countries, deepen economic integration and realize its vision to establish the ASEAN Economic Community.

AEM-METI ECONOMIC AND INDUSTRIAL COOPERATION COMMITTEE (AMEICC)

11. The meeting of the AEM-METI Economic and Industrial Cooperation Committee (AMEICC) was held as part of the AEM-METI Consultations. The Ministers noted with appreciation the timely implementation of the AMEICC projects as well as the effective manner by which these projects are being implemented.

12. Given that the enhancement of AMEICC was tasked out to SEOM-METI and the AMEICC Secretariat at the last AEM-METI Consultation, the Ministers noted with appreciation that a definite direction has been settled for enhancement that contributes to ASEAN economic integration aiming at realization of an ASEAN Economic Community.

13. In terms of the establishment of new working-groups under AMEICC, the Ministers welcomed the establishment of an AMEICC Working Group on Information Technology (AMEICC WG-IT) which would provide a platform for collaboration on IT-related services. They also welcomed the initiative to organize a workshop on sustainable growth (eg. energy conservation and recycling) that will provide a good basis for one of AMEICC's activities.

14. The Ministers noted the concrete activities related to the "Implementation of the HARA Report" which aims at further strengthening assistance to the Mekong region to narrow the development among ASEAN members and also the "plan to invite China and Korea as guests of the WG-CI (Chemical Industry)" in order to assist ASEAN to become the vehicle for East Asian Economic Integration.

OTHER AREAS OF COOPERATION

15. The Ministers endorsed the establishment of the ASEAN-Japan Business Council (AJBC) where business people from both sides can collaborate and interact in business dialogues aimed at enhancing ASEAN-Japan trade and investment relations.

16. The Ministers also welcomed the convening of the 6th ASEAN-Japan Senior Officials Meeting on Energy (SOME-METI) in July 2005 which facilitated the second phase of upgrading the energy database and energy conservation projects.



LIST OF MINISTERS

The Meeting was attended by:

- (i) **H.E. Pehin Dato Lim Jock Seng**, Second Minister of Foreign Affairs and Trade, Brunei Darussalam;
- (ii) **H.E. Mr. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia;
- (iii) **Mr. Herry Soetanto**, Director-General of International Trade Cooperation, Ministry of Trade, Indonesia;
- (iv) **H.E. Hachiro Okonogi**, Senior Vice Minister of Economy, Trade and Industry, Japan;
- (v) **H.E. Mr. Soulivong Daravong**, Minister of Commerce, Lao PDR;
- (vi) **Mr. Ooi Say Chuan**, Deputy Secretary-General, Ministry of International Trade and Industry, Malaysia;
- (vii) **H.E. U Soe Tha**, Minister for National Planning and Economic Development, Myanmar;
- (viii) **H.E. Mr. Elmer C. Hernandez**, Undersecretary for Trade and Industry, Philippines;
- (ix) **Mr. David Chin**, Director-General (Trade), Ministry for Trade and Industry, Singapore;
- (x) **H.E. Mr. Suvit Maesincee**, Vice-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

