



**THE TWENTY-NINTH AEM – METI CONSULTATION
22 August 2023, Semarang, Indonesia**

JOINT MEDIA STATEMENT

1. The Twenty-Ninth AEM-Ministry of Economy, Trade and Industry (AEM-METI) Consultation was held on 22 August 2023. The Consultation was co-chaired by H.E. Dr. Jerry Sambuaga, Vice Minister of Trade, Indonesia and H.E. Nakatani Shinichi, State Minister of Economy, Trade and Industry, Japan. The Meeting welcomed H.E. Filipus Nino Pereira, Minister of Commerce, and Industry, Democratic Republic of Timor-Leste to the Meeting as an observer.
2. The Meeting welcomed the steady growth in ASEAN-Japan economic relations. According to ASEAN's preliminary data, total two-way trade between ASEAN and Japan reached USD 268 billion in 2022, registering an increase of 11.2 per cent year-on-year. Total Foreign Direct Investment (FDI) inflows from Japan to ASEAN in 2022, amounted to USD 27 billion in 2022, equivalent to 27.7 per cent increase year-on-year. This placed Japan as ASEAN's fourth-largest trading partner and second-largest external source of FDI among ASEAN's Dialogue Partners in 2022.
3. The Meeting exchanged views on the regional and global challenges, such as the multidimensional impacts of the COVID-19 pandemic, climate change, heightened volatility in the global financial market, inflationary pressures, and geopolitical tensions that impact global food and energy security, all of which could potentially affect economic and trade relations between ASEAN and Japan. The Meeting emphasised that, in order to navigate the challenging global environment, a stronger and impactful cooperation is essential. The Meeting therefore tasked officials to explore ways to embed practical activities of mutual interest that will mitigate the effects of these global challenges on ASEAN-Japan economic relationship, especially in the areas of sustainable development, digital transformation, and supply chain resilience.
4. The Meeting endorsed the Future Design and Action Plan of Innovative and Sustainable ASEAN-Japan Economic Co-Creation 2023 – 2033 as a living document, which will guide the economic relations between ASEAN and Japan. The Meeting reaffirmed their commitment to develop a society that is safe, prosperous, and free, through fair and mutually beneficial economic co-creation, based on the trust that has been built over the 50 years of friendship and cooperation between ASEAN and Japan. In this regard, the Meeting welcomed the ASEAN-Japan Economic Co-Creation Vision.

5. The Meeting welcomed the implementation of activities under the Future Design and Action Plan, including digitalization of supply chain and trade, building network of young business leaders such as through Young /Z-gen Business Leaders' Summit, creating business co-creation projects addressing social challenges such as through J-Bridge, fast track pitch event initiative and ADX Promotion Program, development of ASEAN Japan Circular Economy Initiative (AJCEI) and other measures, taking into account discussions at Dialogue for Innovative and Sustainable Growth (DISG) which was formed based on an agreement at AEM-METI in 2020.

6. The Meeting noted the importance of the establishment of high-quality intellectual property (IP) cooperation through the framework of ASEAN-Japan Heads of IP Offices Meeting and the annual ASEAN-JPO Work Plan. The further utilization of IP research by the Economic Research Institute for ASEAN and East Asia (ERIA) further strengthens ASEAN's and JPO's efforts in addressing social challenges and creates a sustainable economy and society by enhancing the co-creation of innovation.

7. The Meeting welcomed the implementation of amended Annex 2 of the AJCEP Agreement (the transposed Product Specific Rules (PSRs) from HS2002 to HS2017 on 1 March 2023. The Meeting encouraged the progress of various efforts, including introducing electronics certificate of origin (e-CO), and reaffirmed the importance of proper implementation of this Agreement in order to facilitate trade.

8. The Meeting affirmed the necessity of enhancing energy cooperation in the pursuit of their various and practical pathways depending on the circumstances of each country towards net-zero emissions/carbon neutrality, including but not limited to energy efficiency, energy conversion, electrification, decarbonization of power and transportation sectors, renewable energy, energy management, bioenergy, natural gas, LNG, CCUS/Carbon Recycling, hydrogen, ammonia, critical minerals, and sustainable finance. The Meeting took note of Japan's initiatives such as Asia Zero Emission Community (AZEC) to promote the above-mentioned cooperation. The Meeting also noted "Asia Energy Transition Initiative (AETI)" which includes a wide range of bilateral support for energy transitions in Asia, and looked forward to their implementation. The Meeting noted that the initiatives can contribute to achieving pragmatic energy transition to help cope with climate change and ensure energy security by leveraging experiences of Japan in multiple areas including energy transition roadmaps formulation, financing support, and human resources development. The Meeting also appreciated ERIA's support and contribution to the implementation of these two initiatives through the provision of its expertise.

9. The Meeting welcomed the endeavours undertaken by the AEM-METI Economic and Industrial Cooperation Committee (AMEICC) across a diverse array of sectors. These efforts encompassed the industrial development, the promotion of

micro, small, and medium enterprises (MSMEs) to enhance their resiliency, the collaboration between stakeholders within the chemical and automobile industries, the fortification of supply chains, and the joint pilot initiatives between ASEAN and Japan that leverage digital solutions. The Meeting also acknowledged AMEICC's support to ASEAN institutions to conduct events and research, which provided the valuable inputs for the ASEAN-Japan Economic Co-creation Vision and welcomed continuous and necessary supports to follow up the vision. Furthermore, the Meeting welcomed the efforts of the AMEICC in providing transparency regarding its activities and presenting its inaugural annual report, which outlined their contributions and achievements made during the fiscal year 2022.

10. The Meeting welcomed the following studies conducted by ERIA, namely: 1) study on “ASEAN-Japan Economic Partnership for a Sustainable and Resilient Future”, which highlighted the importance of deepening the ASEAN-Japan economic cooperation to evolve into a mutually beneficial partnership that enhance integration, foster innovation, address emerging challenges in the post-pandemic in ASEAN and Japan; 2) study on “The Circular Value Chain of Electrical and Electronic Equipment (EEE) in ASEAN”, which provided recommendations on promoting coherent regulatory regimes for establishing circular value chain; and 3) study on “Digitalisation of Supply Chains in ASEAN and Japan”, which highlighted a strategic direction for ASEAN and Japan to address challenges related to supply chain issues, including geopolitical tensions and sustainability, by leveraging digital technologies.

11. The Meeting welcomed the contribution of METI to the establishment of ERIA Digital Innovation and Sustainable Economy Centre (E-DISC) which seeks to be the centre of dialogues among industry, government and academia in the ASEAN region and the epicentrum of new innovations.

12. The Meeting recalled the Joint Statement of the 23rd ASEAN-Japan Summit on Cooperation on ASEAN Outlook on the Indo-Pacific (AOIP), which noted that both the AOIP and Japan’s Free and Open Indo-Pacific (FOIP) concept share relevant fundamental principles in promoting peace and cooperation. The Meeting reaffirmed its commitment to support ASEAN-Centrality in the evolving regional architecture as specified in the AOIP. The Meeting welcomed Japan’s support for and cooperation with ASEAN through the AOIP, with a view to promoting the mutual trust, mutual respect, mutual benefit, and win-win cooperation, as well as contributing to peace, stability, and prosperity in the region.

13. The Meeting reaffirmed its commitment to a rules-based, non-discriminatory, open, free, fair, inclusive, equitable, and transparent multilateral trading system with the World Trade Organization (WTO) at its core. The Meeting also highlighted its support to strengthen the WTO and ensure that it remains fit-for-purpose and forward-looking by pursuing reforms to improve all its functions, including to have a fully and well-functioning dispute settlement system accessible to all WTO members by 2024.

The Meeting also expressed its determination to collaborate and coordinate on areas of common interest, including the extension of the moratorium on customs duties on electronic transmissions and contribute to the success of the 13th WTO Ministerial Conference (MC13) scheduled to be held in Abu Dhabi, United Arab Emirates in 2024.

14. The Meeting expressed its commitment to support Timor-Leste to be an ASEAN Member State by providing technical assistance, capacity-building and any other support to facilitate Timor-Leste's integration into the mainstream of ASEAN-Japan economic relations.

15. The Meeting acknowledged the active role of ASEAN and Japanese business communities which includes the Dialogue among the Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA), Japan External Trade Organisation (JETRO), and ASEAN-Japan Business Council (AJBC). The Meeting welcomed the convening of the ASEAN-Japan Business Week which was held in June 2023. The Meeting also looked forward to the convening of the ASEAN-Japan Economic Co-creation Forum in December 2023, alongside the ASEAN-Japan Special Leaders' Summit to commemorate the 50th anniversary of ASEAN-Japan Friendship and Cooperation.
