

The Ninth AEM-CER Consultations Joint Media Statement

Jakarta, 5 September 2004

1. The ASEAN Economic Ministers (AEM) and the Ministers from Australia and New Zealand (Closer Economic Relations - CER) held their Ninth Consultation on 5 September 2004 in Jakarta, Indonesia. The Consultation was co-chaired by H.E. Rini M.S. Soewandi, Minister of Industry and Trade, Indonesia; the Hon. Mark Vaile, Minister for Trade of Australia; and the Hon. Jim Sutton, Minister for Trade Negotiations for New Zealand.

ASEAN-CER Trade and Investment Relations

2. The Ministers exchanged views on the recent international economic developments, including the prospects for global recovery and issues affecting ASEAN and CER. The Ministers noted that ASEAN and the CER Countries continued to be important trading partners. In 2003, ASEAN exported to CER US\$18.85 billion or 4.4% of her total exports to the world and imported from CER US\$8.71 billion or 2.4% of her total imports from the world. The bilateral trade between ASEAN-CER grew significantly by 33% from US\$20.7 billion in 2002 to US\$ 27.56 billion in 2003.

3. Ministers noted that the existing stocks of foreign direct investment (FDI) suggest there is significant room for future growth as the ASEAN and CER economies open up to each other. CER's FDI stocks in ASEAN in 2003 were valued at around US\$3.1 billion up from around US\$1.8 billion in 2002. ASEAN FDI stocks in CER in 2003 were around US\$4.9 billion, compared with around US\$3.9 billion in 2002.

ASEAN, Australia and New Zealand Free Trade Area (FTA)

4. The Ministers agreed that a Free Trade Area among themselves would promote growth and development and increase living standards throughout the region. They noted that opening their economies to each other would build on the substantial trade and investment linkages already established between ASEAN, Australia and New Zealand. The Ministers agreed to recommend to Leaders that ASEAN, Australia and New Zealand further their economic integration through negotiation on a Free Trade Agreement (FTA). The Ministers would also propose to leaders that FTA negotiations commence in 2005 and be concluded in 2 years.

5. The Ministers noted that 2004 marks the 30th anniversary of ASEAN's dialogue relations with Australia, with 2005 being the 30th anniversary of dialogue relations with

New Zealand. The Ministers welcomed the decision to convene an ASEAN, Australia and New Zealand Summit during the 10th ASEAN Summit in Vientiane, Lao PDR.

6. The Ministers reviewed the progress made in the implementation of the AFTA-CER CEP Work Programme. They encouraged ASEAN and CER sectoral bodies to increase their collaboration and accelerate work on finalizing work plans, complete with targets and timeframes, in the implementation of the Work Programme.

7. The Ministers welcomed the completion of the Joint AFTA-CER Study on Non-Tariff Measures, and underlined the importance of assessing, on an on-going basis, the validity of the non-tariff measures they employ. The Ministers observed that, although not necessarily designed explicitly to restrict imports, non-tariff measures could have that effect in practice. The Ministers noted that the joint study, including the matrix, would be used as a transparency promotion exercise and the basis for the future work programme on NTBs under the ASEAN-Australia/New Zealand FTA process.

8. The Ministers welcomed the opportunity to meet with the AFTA-CER Business Council (ACBC) during their consultation and reiterated their support or business involvement in the work of the CEP. The Ministers expressed their appreciation to the ACBC for its contribution to the work programme, particularly its efforts to increase trade and investment in the region. The Ministers acknowledged that an FTA should reflect business priorities for deepening regional economic integration and instructed officials to continue to engage the ACBC in the work programme.

World Trade Organisation (WTO)

9. The Ministers recognised the important role trade liberalisation can play in promoting economic growth and reducing poverty and reaffirmed their commitment to the World Trade Organization (WTO) Doha Development Agenda and to strengthening the rules-based multilateral trading system promoted by the WTO.

10. The Ministers welcomed the agreement in 1 August 2004 on a framework package to guide the next phase of the Doha Round negotiations and expressed their determination to work to secure a meaningful outcome to the round that would result in substantially improved market access for goods and services, the elimination of trade-distorting agricultural subsidies, the substantial reduction of agricultural domestic support and improved trade facilitation. Ministers called on all WTO members to work towards the high level of ambition agreed at Doha for the negotiations, particularly in sectors of interest to developing countries, and to fulfil the development dimension of the Doha Development Agenda.

11. The Ministers expressed continuing support for the early accession of Lao PDR and Viet Nam to the WTO.

Asia Pacific Economic Cooperation (APEC)

12. The Ministers also reiterated their strong support for work being undertaken in the APEC and stressed the importance of free and open trade and investment in the region. Ministers reaffirmed the link between open markets, regional prosperity, stability and security.

LIST OF MINISTERS

The Meeting was attended by:

- (i) Hon. Mr. Mark Vaile, Minister of Trade, Australia;
- (ii) Mr. Lim Jock Hoi, Director-General, Representing Minister, Ministry of Industry and Primary Resources, Brunei Darussalam;
- (iii) H.E. Mr. Cham Prasidh, Senior Minister and Minister of Commerce, Cambodia;
- (iv) H.E. Ms. Rini M.S. Soewandi, Minister of Industry and Trade, Indonesia;
- (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) Hon. Mr. Jim Sutton, Minister for Trade Negotiations, New Zealand;
- (ix) H.E. Mr. Cesar V. Purisima, Secretary of Trade and Industry, Philippines;
- (x) H.E. Mr. Lim Hng Kiang, Minister for Trade and Industry, Singapore;
- (xi) H.E. Mr. Watana Muangsook, Minister of Commerce, Thailand;
- (xii) H.E. Mr. Truong Dinh Tuyen, Minister of Trade, Viet Nam; and
- (xiii) H.E. Mr. Ong Keng Yong, Secretary-General of ASEAN.