



THE ELEVENTH AEM-CER CONSULTATIONS 25 August 2006, Kuala Lumpur, Malaysia

Joint Media Statement

1. The ASEAN Economic Ministers (AEM) and the Ministers from Australia and New Zealand (Closer Economic Relations - CER) held their Eleventh Consultations on 25 August 2006 in Kuala Lumpur, Malaysia. The Consultations was co-chaired by H.E. Dato' Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia; the Hon. Mark Vaile, Deputy Prime Minister and Minister for Trade of Australia; and the Hon. Phil Goff, Minister of Trade of New Zealand.

ASEAN-CER Trade and Investment Relations

2. Ministers noted that ASEAN-CER (Australia and New Zealand combined) bilateral trade continue to post significant gains which provides good momentum for establishing the ASEAN-Australia and New Zealand FTA (AANZFTA). Goods trade between ASEAN, and Australia and New Zealand combined expanded in 2005 by 23 per cent (i.e. from US\$28.84 billion in 2004 to US\$ 35.56 billion in 2005). Trade in services between Australia/New Zealand and ASEAN also experienced strong growth over the same period.

3. Ministers noted that in contrast to the substantial trade relationship, ASEAN-CER investment links are still relatively weak and exchanged views on how the ASEAN-CER investment relationship can be further strengthened.

The ASEAN-Australia and New Zealand FTA (AANZFTA)

4. Ministers noted the progress of the negotiations for the Free Trade Agreement between ASEAN, and Australia and New Zealand. They noted that negotiations have transcended the confidence-building stage and are now in the substantive critical phase with discussions focused on the draft texts of the various chapters of the agreement, including economic cooperation provisions, and modalities for market access negotiations.

5. Ministers recognised that with the right level of ambition and commitment to concluding the negotiations as a single undertaking, a comprehensive FTA could be done in 2007. Ministers acknowledged that there could be some difficulties encountered in the negotiations given the diverse economic circumstances and broad range of interests of the participating countries.

6. Ministers tasked the Trade Negotiating Committee to find creative solutions to close the gap on difficult issues. Ministers also called on participating countries to exercise greater flexibility in dealing with the difficult issues. Ministers re-affirmed the

need to ensure sufficient flexibility to accommodate the need of some ASEAN Member Countries in the FTA.

7. ASEAN Ministers welcomed the technical assistance and capacity-building programmes given by Australia and New Zealand to facilitate the participation of all ASEAN Member Countries in the FTA negotiations.

8. On the whole, Ministers are looking forward to the conclusion of the negotiations emphasising that the FTA should build on the economic linkages between the two regions and deliver greater economic benefits to each participating country.

AFTA-CER Closer Economic Partnership Work Programme

9. Ministers noted the economic cooperation initiatives implemented under the AFTA-CER Closer Economic Partnership Work Programme. The ASEAN Ministers thanked Australia and New Zealand for their long-standing support and cooperation to the region, which Ministers noted to be flexible and responsive to the development requirements and evolving priorities of ASEAN.

AFTA-CER Business Council

10. Ministers recognised the need to strengthen collaboration and related networking activities between ASEAN, Australia and New Zealand business communities. They support the call for the revitalisation of the AFTA-CER Business Council, including the refocusing of its activities to foster greater links between the private sector from ASEAN and CER.

World Trade Organisation (WTO)

11. Ministers expressed regret on the suspension of the Doha Development Agenda negotiations and its negative implications for the future of the multilateral trading system. Ministers noted with disappointment that WTO Members were unable to demonstrate the necessary flexibility to provide momentum for the final push to conclude the negotiations.

12. They stressed that despite the current stalemate in the negotiations, WTO Members must use this time to reflect and re-assess their positions as well as to consult intensively among themselves, with the aim of resuming negotiations as soon as possible. Ministers called on all WTO Members to show flexibility, and for key Members to exercise leadership needed to kickstart the negotiations. WTO Members need to exercise collective responsibility to bring the talks to a successful conclusion. Results must reflect substantial improvements in market access, while taking into account flexibilities for developing countries. A viable deal will also need to deliver real reform of agricultural subsidies.

13. The future of the multilateral trading system and the continued growth and development of many developing countries rest on the continuing efficacy of the system. Hence, the way forward can only be for all WTO Members to exercise efforts to seek a conclusion to the negotiations. In the interim, WTO Members must

not lose progress made in the last four years but push on with necessary technical work in preparation for the resumption of negotiations.

14. They noted the work they have done together to bring Viet Nam into the WTO this year and expressed their support for the early accession of Lao PDR to the WTO.

Asia Pacific Economic Cooperation (APEC)

15. The Ministers welcomed and reiterated their continuing support for Viet Nam's successful hosting of APEC 2006.

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List of Ministers

1. **H.E. Dato' Seri Rafidah Aziz**, Minister of International Trade and Industry, Malaysia, Chairperson
2. **Hon. Mr. Mark Vaile**, Deputy Prime Minister and Minister for Trade, Australia, Co-chairperson
3. **Hon. Mr. Phil Goff**, Minister for Trade, New Zealand, Co-chairperson
4. **H.E. Pehin Dato Lim Jock Seng**, Second Minister of Foreign Affairs and Trade, Brunei Darussalam
5. **H.E. Dr. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia
6. **Mr. Herry Soetanto**, Director-General of International Trade Cooperation, Ministry of Trade, Indonesia
7. **H.E. Dr. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
8. **H.E. U Soe Tha**, Minister for National Planning and Economic Development, Myanmar
9. **H.E. Mr. Elmer C. Hernandez**, Undersecretary of Trade and Industry, the Philippines
10. **H.E. Mr. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
11. **Ms. Apiradi Tantraporn**, Director-General, Ministry of Commerce Thailand
12. **H.E. Mr. Truong Dinh Tuyen**, Minister of Trade, Viet Nam
13. **Mr. Nicholas Tandi Dammen**, Deputy Secretary-General of ASEAN

