



THE 16TH AEM-CER CONSULTATIONS

13 August 2011, Manado, Indonesia

JOINT MEDIA STATEMENT

1. The 16th Consultations between the ASEAN Economic Ministers (AEM) and the Ministers of Australia and New Zealand (Closer Economic Relations – CER) was held in Manado, Indonesia on 13 August 2011. The Consultations was co-chaired by H.E. Dr. Mari Elka Pangestu, Minister of Trade of Indonesia; the Honorable Dr. Craig Emerson MP, Minister for Trade of Australia and the Honorable Mr. Tim Groser, Minister for Trade of New Zealand.

Regional Economic Development

2. The Ministers exchanged views on the emerging regional architecture in the East Asia/Asia Pacific region, as well as regional and international issues including APEC, WTO and G20, and noted that institutional arrangements should keep pace with the developments in global production networks to be commercially relevant.

3. The Ministers highlighted the deepening economic relations between ASEAN, Australia and New Zealand. ASEAN's total trade with Australia and New Zealand resumed strong growth in 2010 from the preceding year's economic downturn. The Ministers noted further the continued growth in a level of Foreign Direct Investment (FDI) from Australia and New Zealand to ASEAN.

ASEAN-Australia and New Zealand FTA

4. The Ministers welcomed the entry into force of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) for Cambodia on 4 January 2011 and Lao PDR on 1 January 2011. The Ministers also welcomed Indonesia's progress towards entry into force of AANZFTA and looked forward to receipt of Indonesia's formal notification that it has completed its necessary internal requirements.

5. The Ministers were pleased to note that AANZFTA since its implementation in January 2010 is already delivering concrete trade and economic benefits, and that significant momentum in trade in goods and economic cooperation has contributed to practical business outcomes and removal of impediments to business utilization of the AANZFTA. The Ministers noted the initial analysis done by Australia indicating that in

2010, there had been good utilization of AANZFTA tariff preferences for the seven ASEAN Member States that were then party to the Agreement. The Ministers looked forward to the development of a regional mechanism to effectively monitor the utilisation of the FTA's tariff preferences.

6. The Ministers were pleased with the significant progress achieved by the FTA Joint Committee and its subsidiary bodies in carrying out the AANZFTA mandate including the built-in agendas on the review of the non-tariff measures, review of the rules of origin cumulation and product specific rules, and the preparatory work for the reservation lists under the Investment Chapter. The Ministers underscored that the positive chemistry between the FTA Parties and the well-structured institutional framework has contributed to the early success of implementing the AANZFTA.

7. The Ministers noted the progress achieved in simplifying administrative procedures including the FTA Parties' decision that the FOB value would no longer be required in the certificates of origin, except where preference is being sought on the basis of regional value content (RVC) rules subject to 2-year flexibility given to Cambodia and Myanmar. The Ministers urged the completion as soon as possible of tariff schedules and product specific rules of origin transposition to Harmonized System 2012 nomenclature to ensure transparency and predictability of business access to the preferences.

8. The Ministers noted that the work program under the FTA agenda has expanded beyond trade in goods to address the 21st century issues including services, investment, intellectual property, connectivity, competition policy and other areas which complement the work towards an ASEAN Economic Community.

Economic Cooperation

9. The Ministers underscored the central role of economic cooperation among the Parties and endorsed the FTA Joint Committee's Strategic Approach to Economic Cooperation adopted in June 2011 which aims to facilitate the FTA's operationalization and progression of its built-in agenda, increased business utilization of AANZFTA opportunities, and deeper economic integration among the Parties.

10. The Ministers noted that concrete outcomes in support of these strategic objectives were achieved with the implementation of AANZFTA's Economic Cooperation Support Programme (AECSP), which runs over the five-year period (2010-2014) and estimated at up to AUD 20-25 million. Actual and committed expenditures on economic cooperation to date is AUD3.2 million, and a further AUD5.8 million is estimated will be spent on new projects that were endorsed in principle for implementation in 2011-2012.

11. The Ministers acknowledged the wide range of economic cooperation projects completed or under implementation including:

- a. *in-country training on Rules of Origin for Cambodia and Lao PDR* to assist officials and businesses in the newer ASEAN Member States to make use of the Agreement;
- b. *the ASEAN Regional Diagnostics Network on Sanitary and Phytosanitary measures*, part of a wider long- term project, to create an ASEAN-wide system for delivering credible plant pest and disease diagnostic services;
- c. *a forum on ASEAN Regional Qualifications Framework* to support trade in education services and temporary movement of natural persons; and
- d. *a workshop on Accession to the WIPO Madrid Protocol* to build capacities among the ASEAN Member States in implementing their intellectual property commitments.

12. The ASEAN Economic Ministers expressed their appreciation to Australia and New Zealand for the continued support given to ASEAN through the AECSP including making funds available for interested ASEAN Member States in undertaking an investment policy review under the OECD Policy Framework for Investment Process.

Business Outreach

13. The Ministers noted the value of conducting business forums at the sidelines of the FTA Joint Committee meetings. These business events, which were held in Manila and Melbourne in 2010 and in Wellington in May 2011, successfully raised the profile of AANZFTA and also promoted ASEAN-CER trade by enhancing understandings on the business opportunities created by the AANZFTA and through developing stronger links between government and businesses.

ASEAN-CER Integration Partnership Forum

14. Ministers welcomed the launch of the CER-ASEAN Integration Partnership Forum (IPF) in Kuala Lumpur on 25 June. The Forum will foster new dialogue between ASEAN and Australia and New Zealand on issues such as economic integration and connectivity. At the inaugural event Australia and New Zealand shared their experience of the development of CER and the "Single Economic Market" between the two countries. Future IPF events will aim to deepen links and enhance mutual understanding as work proceeds on the full implementation of AANZFTA and the achievement of the Roadmap for an ASEAN Community. The next IPF event is planned for the first half of 2012.



LIST OF MINISTERS

1. **H.E. Craig Emerson MP**, Minister for Trade, Australia
2. **H.E. Pehin Dato Lim Jock Seng**, Second Minister, Ministry of Foreign Affairs and Trade, Brunei Darussalam
3. **H.E. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia
4. **H.E. Mari Elka Pangestu**, Minister of Trade, Indonesia
5. **H.E. Mahendra Siregar**, Vice Minister of Trade, Indonesia
6. **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
7. **H.E. Dato' Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
8. **H.E. U Tin Naing Thein**, Minister for National Planning and Economic Development, Myanmar
9. **H.E. Tim Groser**, Minister of Trade, New Zealand
9. **H.E. Gregory L. Domingo**, Secretary of Trade and Industry, the Philippines
10. **H.E. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
10. **Mr. Yangyong Phuangrach**, Permanent Secretary, Ministry of Commerce, Thailand
11. **H.E. Nguyen Cam Tu**, Deputy Minister of Industry and Trade, Viet Nam
12. **H.E. Surin Pitsuwan**, Secretary-General of ASEAN