

Meeting of the Fourth ASEAN Heads of Investment Agencies

Singapore, 24 July 1998

JOINT PRESS STATEMENT

1. The ASEAN Heads of Investment Agencies (AHIA) met on 24 July 1998 in Singapore.

Addressing the Financial Crisis

2. In light of the present financial crisis besetting the region, the AHIA noted that it is even more important now to strengthen regional co-operation in promoting greater direct investments into and within the region.
3. They noted that foreign direct investment and intra-ASEAN investment flows have declined dramatically since the beginning of the crisis. In this regard, they agreed that there is a need to take collective action and measures in addition to those taken in the individual member countries. They called on the various private sector organizations in ASEAN to provide suggestions on meaningful, immediate and specific measures which will help in the economic recovery process.
4. They emphasized that when formulating immediate collective measures, existing investment operations in the region should also be taken into account. The measures should also encourage expansion of existing investment operations. They agreed that individual member countries should also consult the private sector in their respective capitals on what specific measures could be adopted to improve the investment climate. In this connection, they urged the private sector to participate actively in these consultations.

ASEAN Investment Area (AIA)

5. The AHIA recognized the importance of increase in FDI in the process of regional economic recovery. In this regard, they welcomed the good progress made in finalizing the Framework Agreement on AIA. This Framework Agreement is expected to be signed in 1998.
6. The objective of the AIA is to attract greater and sustainable levels of FDI into the region from ASEAN and non-ASEAN sources. This is to be achieved by enhancing the competitiveness and attractiveness of the region's investment environment through implementing three pillars of broad-based programmes. These are Co-operation and Facilitation; Promotion and Awareness; and Liberalization Programmes.

7. In conjunction with the signing of the Framework Agreement and to facilitate FDI flows into the region, the AHIA agreed that three major projects be launched at the signing. These are:

- ASEAN Supporting Industry Database (ASID), which is the “information mart” for supporting industries for manufacturers and suppliers of ASEAN countries. The ASID contains information of over 8,000 companies and can be accessed through Internet at <http://www.boi.go.th>.
- Directory of ASEAN Technology Suppliers, to facilitate intra-ASEAN sourcing of technology, enhancement of investment matchmaking, promotion of joint venture operations, and to provide opportunities to technology suppliers in the region to supply technology to third countries.
- Compendium on Investment Policy and Measures of ASEAN countries, which is a handbook providing general information on investment policies and measures in ASEAN.

ASEAN Investment Co-operation Work Programme

8. Since the AHIA Meeting in Manila, 3–4 July 1997, investment co-operation programmes under the purview of AHIA have made significant progress. For the year under review, six additional projects have been completed and eleven are on going, most of which are near completion. These projects are being implemented under the 1996–98 Work Programme to Implement the ASEAN Plan of Action on Co-operation and Promotion of Foreign Direct Investment and Intra-ASEAN Investment.

9. The existing work programme covers several aspects of investment promotion and facilitation. These include, among others, information provision, such as linking of ASEAN Member Countries' Homepages to the ASEANWEB (<http://www.aseansec.org>); joint promotion events within and outside ASEAN; and human resource development, with the view to upgrade the skills of ASEAN investment officials.

10. The Taskforce on the Collection and Reporting of FDI Statistics, initiated by AHIA at the last meeting, which in the long run aims to provide a comparable approach of measuring, collecting and reporting of FDI statistics. These activities are important in monitoring the progress and development of the ASEAN Investment Area.

11. A compilation of measures taken and incentives provided by member countries in promoting FDI, in response to the present financial and economic crisis, will be published to assist the private sector in their investment decision-making process.

12. The AHIA also discussed investment issues raised at the various international fora.

Attendance to the Meeting

13. The AHIA was attended by H.E. Dato Hj. Danial Hj. Hanafiah, Permanent Secretary, Ministry of Industry and Primary Resources, Brunei Darussalam; H.E. Mr. Hamzah Haz, Minister of Investment and Chairman of Investment Coordinating Board, Indonesia; H.E. Prof. Dr. Bountiem Phissamay, Minister at Prime Minister Office and Secretary General of Foreign Investment Management Committee, Lao People's Democratic Republic; H.E. Tan Sri Datuk Zainal Abidin Sulong, Chairman, Malaysian Industrial Development Authority, Malaysia; H.E. Vice Admiral Maung Maung Khin, Deputy Prime Minister and Chairman of Myanmar Investment Commission, Union of Myanmar; H.E. Prof. Melito S. Salazar, Jr., Vice-Chairman and Managing Head, Board of Investments, Philippines; H.E. Mr. Ho Meng Kit, Managing Director of Economic Development Board, Singapore; H.E. Mr. Staporn Kavitanon, Secretary General of the Board of Investment, Thailand; H.E. Mr. Nguyen Nhac, Deputy Minister, Ministry of Planning and Investment, Vietnam; Dr. Suthad Setboonsarng, Deputy Secretary General of ASEAN, and their respective delegates.

SOURCE: ASEAN Secretariat World Wide Web site <<http://www.asean.or.id/economic/ahia98.htm>>.