

DOCUMENTATION

Twenty-Fifth Meeting of the ASEAN Economic Ministers

Singapore, 7–8 October 1993

JOINT PRESS STATEMENT

1. The Twenty-Fifth Meeting of the ASEAN Economic Ministers (AEM) was held in Singapore on 7–8 October 1993. The Meeting, which was formally opened by H.E. Prime Minister Goh Chok Tong of Singapore, was preceded by a Preparatory Meeting of the ASEAN Senior Economic Officials (SEOM) on 4–5 October 1993. The AFTA Ministerial Council met on 6 October 1993.
2. The Meeting was attended by ASEAN Economic Ministers, H.E. Pehin Dato' Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam; H.E. Mr Hartarto, Co-ordinating Minister for Industry and Trade, Indonesia, H.E. Prof. Dr. S.B. Joedono, Minister of Trade, Indonesia, H.E. Tungki Ariwibowo, Minister of Industry, Indonesia, H.E. Sanyoto Sastrowardoyo, State Minister for Investment/Chairman of Investment Co-ordinating Board, Indonesia; H.E. Dato' Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia; H.E. Mr Rizalino S. Navarro, Secretary of Trade and Industry, Philippines, H.E. Mr Cielito F. Habito, Secretary of Economic Planning, National Economic and Development Authority, Philippines, H.E. Mr Cesar B. Bautista, Deputy Secretary of Trade and Industry, Philippines; H.E. Mr S. Dhanabalan, Minister for Trade and Industry, Singapore; H.E. Mr. Lim Boon Heng, Second Ministry for Trade and Industry, Singapore; H.E. Dr Supachai Panitchpakdi, Deputy Minister, Thailand, H.E. Dr Trairong Suwankiri, Deputy Minister of Finance, Thailand and H.E. Mr Chalermphol Sanitwongchai, Deputy Minister of Commerce, Thailand; and their respective delegations. H.E. Dato' Ajit Singh, Secretary-General of ASEAN, and members of his staff were also present.
3. In his Keynote Address, H.E. Prime Minister Goh Chok Tong of Singapore remarked that as the ASEAN Economic Ministers' Meeting turned 25 this year, it was timely to examine how ASEAN should respond in an ever changing global economic environment. He commented that during the Cold War, the Western world had an interest in preserving the stability of non-communist countries. They gave developing countries privileged access to their markets through preferential schemes and by instituting rules of conduct for international trade. Such benign environment has enabled ASEAN economies to industrialize and grow. This gave ASEAN countries confidence to participate in the world economy.

4. Now that the Cold War is over, Western countries have less incentive to provide security cover for Asia, or to keep their markets open to buttress non-communist states. At the policy and intellectual level, the mood in the developed countries is shifting away from free trade, in favour of "fair trade" and "managed trade". These terms evade the odium of protectionism and convey an aura of intellectual respectability, but should be seen for what they really are.

5. ASEAN has to respond promptly and positively to these changes in the international environment if it is to prosper in the next 25 years. Retaliating with a protectionist trading bloc of our own is not a solution. It is against ASEAN's own interests, as its link to the rest of the world are as important if not more important than linkages to each other.

6. H.E. Prime Minister Goh called on ASEAN to renew its resolve to promote economic co-operation, and give substance to the AFTA ideal. He emphasized that a clear and bold political leadership, supported by a nimble and forward-looking bureaucracy, would make a critical difference to ASEAN's economic prospects, and enable ASEAN to turn the challenges of the coming decades into fresh opportunities to improve the lives of ASEAN peoples.

Consultation with ASEAN-CCI

7. The Ministers noted the views of the ASEAN-CCI presented by Mr Razali Johari on behalf of the President, Mr Chokchai Aksaranan. The Meeting welcomed the growing co-ordination and improved dialogue between ASEAN-CCI and SEOM and the AEM. Since SEOM-2/1993, held on 12–13 July 1993, SEOM had invited the ASEAN-CCI to its regular meetings to discuss issues of mutual concern. The Ministers also encouraged the ASEAN private sectors to be positive and supportive of ASEAN trade liberalization and economic co-operation programmes.

Investment Matters

8. The Ministers noted the report of the First Consultative Meeting of the Promotion of Foreign Direct Investment (FDI) in ASEAN Countries, Jakarta, 8–9 February 1993, and the Memorandum of Understanding Among Authorities of ASEAN Countries Responsible For Investment Promotion. The Ministers recognized that ASEAN should intensify the promotion of foreign direct investment individually or jointly from outside as well as intra-ASEAN countries.

ASEAN Free Trade Area (AFTA)

9. The Ministers reaffirmed ASEAN's commitment to the CEPT Scheme for AFTA. AFTA would greatly strengthen ASEAN's cohesiveness, dynamism and vitality as a regional organization. AFTA, as a GATT-consistent and outward-looking arrangement, would also contribute to the strengthening of the multilateral trading system.

10. The Ministers therefore agreed that there was great urgency for ASEAN countries to speed up the implementation of the Common Effective Preferential Tariff (CEPT) Scheme for AFTA. All Member States have agreed to advance the implementation of their tariff reduction to 1994. Nevertheless, 1 January 1993 would still be taken as the starting date of the implementation of the CEPT Scheme and 1 January 2008 as the conclusion of the fifteen year period for the implementation of the Scheme.

11. Some member countries have undertaken unilateral tariff cuts to liberalize trade and this would facilitate further trade liberalization under the CEPT Scheme.

12. The Ministers were happy to note that there was a general improvement in member countries' commitment under the CEPT Scheme since the Third AFTA Council Meeting in Jakarta in December

1992. The number of items in the Inclusion Lists submitted by member countries expanded and that in the Temporary Exclusion Lists were reduced. Only a small proportion of the total tariff lines in each member country falls under the Permanent Exclusion List under Article 9 (General Exceptions) of the CEPT Agreement.

13. The lists of products with schedules of tariff reduction have been exchanged among all member countries and the details would be made available to all interested parties by 1 November 1993.

14. In terms of the Fast and Normal Track Programmes, these confirmed submissions showed that the following number of tariff lines which have been offered for tariff reduction by 1 January 1994 are:

Brunei	—	1,408 product groups (at HS 6-digit level, effective 1 June 1994)
Indonesia	—	2,001 tariff lines (at HS 9-digit level)
Malaysia	—	3,776 tariff lines (at HS 9-digit level)
Philippines	—	1,052 tariff lines (at HS 8-digit level)
Singapore	—	373 tariff lines (at HS 9-digit level, effective 1 January 1993)
Thailand	—	1,327 tariff lines (at HS 6-digit level)

15. The Meeting requested the ASEAN Secretariat to identify measures to facilitate, accelerate and monitor the implementation of the CEPT Scheme for AFTA, through close consultations with private sectors, and to report to SEOM and the AEM on its recommendations.

Other Areas of Co-operation

16. The Meeting agreed that while work on implementation of the CEPT Scheme remains ASEAN's top priority, fresh initiatives should be taken to identify new measures to increase co-operation in industry, minerals and energy, finance and banking, food, agriculture and forestry, commodities, transportation and communications, and other areas of co-operation, such as research and development, technology transfer, tourism promotion, human resource development and other economic-related areas.

ASEAN Industrial Joint Ventures (AIJV) Scheme

17. The Ministers agreed to improve the AIJV Scheme and make it compatible with the CEPT Scheme for AFTA. This move would draw ASEAN economies closer together and make it a more attractive investment region.

Strengthening of the ASEAN Secretariat and the Dissolution of the Subsidiary Bodies of the Abolished ASEAN Economic Committees

18. In view of the need to meet the expanded responsibilities, the Ministers agreed to support the strengthening of the Bureaus of Economic Co-operation and Economic Research of the ASEAN Secretariat. The ASEAN Secretariat has formulated a programme to systematically monitor the developments in important industries in ASEAN with progressive implementation of the CEPT Scheme as well as in the context of rapidly changing global developments under the "Study on the Impact of the CEPT Scheme on ASEAN Industrial Sector Programme".

19. The Meeting agreed that the sectoral Ministerial Meetings on Energy Co-operation (AMMEC) and Agriculture and Forestry (AMAF) could continue to be serviced by their respective Senior Officials Meeting.

20. All subsidiary bodies would be dissolved. The monitoring and implementation of existing projects could be undertaken by the ASEAN Secretariat via Ad Hoc Working Groups.

Uruguay Round

21. In reviewing trade developments, the Ministers expressed deep concern over the elusive and long-awaited conclusion of the Uruguay Round. The Ministers expressed hope that all GATT members should capitalize on the recent impetus achieved at the G-7 Summit to conclude the 7-year old multilateral talks. In this connection, the Ministers registered concern with attempts to re-open the Blair House Accord and re-visit substantive provisions of the Draft Final Act, and thus threaten to once again stall current efforts to conclude the Round by this December. The Ministers reiterated that a successful conclusion of the Uruguay Round is necessary to revitalize world trade.

22. The Ministers reiterated calls on the major countries to exercise the political courage and take the necessary decisions. They indicated that their respective countries were ready to play their parts to bring the Uruguay Round to a successful conclusion. They recognized that a successful conclusion of the Round with a balanced and comprehensive package for liberalizing market access on goods and services would increase growth in world trade, dampen protectionist pressure, and generate global economic reforms. In this connection, a separate statement was issued by the Ministers.

23. On international economic trends, the Ministers noted a global shift towards regionalism in recent years. They stressed the need for regional groupings such as the European Single Market (SEM), [and] North American Free Trade Agreement (NAFTA) to remain open and transparent while seeking to expand intra-regional trade. Regional trade groupings should complement GATT and contribute towards a faster and significant conclusion of the Uruguay Round.

Asia-Pacific Economic Co-operation (APEC)

24. On the Asia-Pacific Economic Co-operation (APEC) Forum, the Meeting noted the continued evolution of APEC as a constructive framework for sustaining the growth and dynamism of the Asia-Pacific region. The Meeting was also of the view that this evolution will increasingly involve various economic issues. Therefore, the AEM should have more meaningful and active roles in providing directions and guidance to promote common ASEAN interests.

25. The Ministers noted the forthcoming APEC Leaders' Meeting in November in Seattle.

26. The Ministers noted that the proposed draft "Declaration on an APEC Trade and Investment Framework" to be adopted at the Fifth APEC Ministerial Meeting in Seattle on 17-19 November 1993 would chart the direction for APEC towards greater trade and investment liberalization in the Asia-Pacific region. The Ministers expressed the hope that regional trade liberalization in APEC would contribute to the multilateral trading system.

East Asia Economic Caucus (EAEC)

27. The Ministers considered and suggested the modalities to operationalize the EAEC as a Caucus within APEC, initially driven and supported by the AEM. They further agreed that it was necessary to take into account the views of prospective members of the EAEC from the East Asian region, which are members of APEC, before finalizing the modalities to launch the EAEC. In this respect, the Ministers decided that the Secretary-General of ASEAN undertake the necessary consultations with these prospective members and, upon completion of his mission, report to the AEM for consideration and decision.

Anti-Tropical Timber Campaign and Eco-Labeling

28. The Meeting noted that pursuant to the decision of the 21st AEM, missions on Sustainable Forest Development led by ASEAN Ministers were despatched to the EC, North America and Japan in 1991 and 1992. The Meeting expressed concern that the issues of anti-tropical timber campaigns and eco-labelling on tropical timber and non-timber forest products in the major developed countries remain unabated. In this respect, the Meeting agreed to reinvigorate joint approaches and actions in addressing the problems arising from the anti-tropical timber campaign and the issue of eco-labelling on tropical timber and non-timber forest products.

Status with Dialogue countries

29. The Ministers reviewed the economic dialogues held with the seven Dialogue countries. In view of the present world economic situation, the Ministers noted that ASEAN's market access concerns in these countries have not been satisfactorily addressed.

Economic Co-operation with Third Countries

30. The Ministers welcomed the establishment of a sectoral dialogue on trade, investment and tourism with India, which is an important trading partner of ASEAN. They also noted the report of the first ASEAN exploratory visit to the People's Republic of China, which was led by the Secretary-General of ASEAN, 13-18 September 1993. The two parties agreed to establish an ASEAN-PRC Joint Committee on Economic and Trade Co-operation and an ASEAN-PRC Joint Committee on Scientific and Technological Co-operation.

31. The Meeting also urged the ASEAN private sectors to get involved in its economic co-operation with dialogue partners. A strong linkage between the respective private sectors will ensure a deepening of ASEAN trade and economic relations.

Future Directions

32. The Ministers agreed that in the light of rapid changes in the international economic environment, they would meet informally between scheduled ASEAN Economic Ministers Meetings, to exchange views and experiences that can help individual ASEAN economies to shape their long term vision and strategic direction, as well as enhance ASEAN co-operation. The first such meeting will be held in Malaysia next year.

SOURCE: Singapore Ministry for Foreign Affairs — ASEAN.