

DOCUMENTATION

First Consultative Meeting for the Promotion of Foreign Direct Investment in ASEAN Countries

Memorandum of Understanding among Authorities of ASEAN Countries Responsible for Investment Promotion

Jakarta, 8–9 February 1993

The authorities of ASEAN countries responsible for investment promotion namely:

1. The Ministry of Industry and Primary Resources, Brunei Darussalam,
2. The Investment Coordinating Board (BKPM), Republic of Indonesia,
3. The Malaysian Industrial Development Authority (MIDA), Malaysia,
4. The Board of Investment (BOI), Republic of the Philippines,
5. The Economic Development Board (EDB), Republic of Singapore,
6. The Office of the Board of Investment (BOI), Kingdom of Thailand,

Hereinafter referred to as the “Parties”:

DESIRING to foster regional co-operation as a reflection of ASEAN spirit, and to enhance the co-operation among the Parties, especially in the promotion of foreign direct investment in ASEAN, based on mutual benefit principles;

BEARING IN MIND the increasingly strong competition between developed and developing countries as well as among developing countries in attracting foreign direct investment, and the increasing flow of the available funds to developed countries, while at the same time the shrinking flow to developing countries;

RECOGNIZING the decision of the 25th ASEAN Ministerial Meeting which, *inter alia*, stated that respective officials responsible for investment promotion should be encouraged to conduct regular consultations with a view to increasing the inflows of foreign direct investment in ASEAN countries;

CONSIDERING that on the one hand trade liberalization through the establishment of the ASEAN Free Trade Area (AFTA) will positively stimulate the inflow of Foreign Direct Investment in ASEAN countries; while on the other hand there are still inherent challenges faced by ASEAN countries, hindering the inflow of foreign direct investment;

HAVING AGREED AS FOLLOWS:

Article I

Objectives

Based on the ASEAN spirit, and in view of laying the foundation for a sustainable co-operation, it was decided that the objectives of the Consultative Meeting of the Parties are:

1. To continuously enhance ASEAN's image as the most attractive economic region for foreign direct investment;
2. To intensify the promotion of foreign direct investment individually or jointly from outside as well as intra ASEAN countries;
3. To promote and intensify intra ASEAN private sector initiatives with a view to fostering closer co-operation among them;
4. To enhance the competitive edge of ASEAN countries in their respective efforts to attract foreign direct investment;
5. To enhance the exchange of information among ASEAN countries, based on consensus in respect of the operational policies, business opportunities, experiences in project implementation, investment constraints and other investment related matters.

Article II

Mechanism

In order to achieve these objectives mentioned in Article I, the following ways and means are to be undertaken:

1. A Consultative Meeting among the Parties shall be held on a regular basis. The Consultative Meeting meet at least once a year as far as possible;
2. The Consultative Meeting shall aim to make decisions/recommendations based on consultations on enhancing the investment climate in ASEAN for the promotion of foreign direct investment;
3. Formulation of plans of action relating to implementation of decisions/recommendations of the Consultative Meeting shall be set forth by Working Group(s) established by the Consultative Meeting;

Article III

Plan of Action

In the consultations of promoting foreign direct investment in ASEAN countries by the Consultative Meeting, and in developing actions plans by the Working Group(s), endeavours will be pursued, including the areas of human resources development and technology transfer, small and medium scale industrial development, infrastructure development, and financing, with the objective to make the implementation action plan effective.

Article IV

Endorsement

The MOU will be submitted to AEM for its consideration through the ASEAN Secretariat.

Article V

Closing

The Parties reiterate their views that ASEAN co-operation in the promotion of foreign direct investment will be conducted in the spirit of friendship for mutual benefits of all member countries, and the Consultative Meeting should lay down a long-term conceptual framework of co-operation in investment promotion.

Jakarta, Indonesia this eighth day of February, nineteen and ninety-three.

Pengiran Haji Mohammad Yakub Pengiran Haji Othman
Director of Industrial Unit
Ministry of Industry and Primary Resources,
Brunei Darussalam

Sanyoto Sastrowardoyo
Chairman, Investment Coordinating Board (BKPM),
Republic of Indonesia

Tan Sri Datuk Zainal Abidin Bin Sulong
Chairman, Malaysian Industrial Development Authority (MIDA)
Malaysia

Tomas I. Alcantara
Undersecretary, Industry and Investments Group
Department of Trade and Industry &
Vice Chairman and Managing Head, Board of Investment (BOI)
Republic of the Philippines

Philip Yeo
Chairman, Economic Development Board (EDB)
Republic of Singapore

Staporn Kavitanon
Secretary General,
Office of the Board of Investment (BOI)
Kingdom of Thailand

SOURCE: Ministry for Foreign Affairs, ASEAN-Singapore.