

21st Meeting of the ASEAN Economic Ministers (AEM) 30 November–1 December 1989, Brunei Darussalam

JOINT PRESS STATEMENT

1. The Twenty-First Meeting of the ASEAN Economic Ministers (AEM) was held at the International Convention Centre, Brunei Darussalam on 30 November–1 December 1989. The Meeting was formally opened by His Majesty, Paduka Seri Baginda Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan dan Yang Di-Pertuan Negara Brunei Darussalam, and was preceded by a Preparatory Meeting of the ASEAN Senior Economic Officials (SEOM) on 27–28 November 1989.

2. The Meeting was attended by H. E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei Darussalam; H. E. Mr. Radius Prawiro, Minister Coordinator for Economy, Finance, Industry and Development Supervision of Indonesia; H. E. Mr. Hartarto, Minister of Industry of Indonesia; H. E. Dr. Arifin M. Siregar, Minister of Trade of Indonesia; H. E. Dato' Seri Rafidah Aziz, Minister of Trade and Industry of Malaysia; H. E. Mr Jose S. Concepcion Jr., Secretary of Trade and Industry of the Philippines; H. E. Dr. Jesus Estanislao, Secretary of Socio-Economic Planning of the Philippines; H. E. Brig. Gen. (Res) Lee Hsien Loong, Minister for Trade and Industry of Singapore; H.E. Mr. Mah Bow Tan, Minister of State for Trade and Industry of Singapore; H. E. Dr. Subin Pinkayan, Minister of Commerce of Thailand; H. E. Mr. Suchon Charmpoonod, Deputy Minister of Finance of Thailand; and H. E. Mr. Phaithoon Kaeothong, Deputy Minister of Industry of Thailand, and their respective delegations. H. E. Mr. Rusli Noor, Secretary-General of the ASEAN Secretariat and members of his staff were also present.

3. His Majesty the Sultan dan Yang Di-Pertuan Negara Brunei Darussalam in His Inaugural Address welcomed all delegates to Brunei Darussalam and stated that as the Asia-Pacific region was recognized as the most vibrant and dynamic region with ASEAN as its vital component, intra-ASEAN economic cooperation should be enhanced and new initiatives in trade, investments and other fields be undertaken. His Majesty urged that efforts to coordinate and harmonize ASEAN economies need to be exerted to further bind ASEAN collectively. His Majesty further stated that ASEAN's ability in reaching common positions on regional and international issues had gained prominence and respect, and therefore called upon ASEAN to take advantage of its collective strength.

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4. His Majesty stressed the need for ASEAN solidarity and cohesion, and the strengthening of its collective efforts in dealing with advanced economies. This he said, will ensure ASEAN to remain as the core of the world's vigorous region.
 5. In making intra-ASEAN economic cooperation more successful, His Majesty referred to the important role played by the business community and called upon the ASEAN Chamber of Commerce and Industry to establish a very close working relation amongst its members. To this end, His Majesty stated that Brunei Darussalam's economic diversification programme was in the promotion and development of small and medium industrial projects. In this connection His Majesty invited the participation of ASEAN entrepreneurs and businessmen in these ventures.
 6. H. E. Pehin Dato Seri Setia Abdul Rahman Taib, Leader of the Brunei Darussalam Delegation, and H. E. Mr. Radius Prawiro, Leader of Indonesian Delegation, were elected Chairman and Vice-Chairman of the Meeting respectively.
 7. H. E. Pehin Dato Abd Rahman Taib in his opening remarks as Chairman of the 21st AEM brought to the attention of the Meeting that the Uruguay Round, Commodities issues and Trade Restrictive Measures affecting ASEAN exports are included as special items in the agenda.
 8. On these issues, the Chairman referred the Meeting to the direction of His Majesty's Inaugural Address in the need to further enhance ASEAN solidarity in order to strengthen ASEAN negotiating position and, that through the common position ASEAN can influence the outcome of the negotiation so as to serve the interest of the region.
 9. Upon the invitation of the Chairman, the Leaders of Delegation offered their general comments.
 10. H. E. Dr. Subin Pinkayan, Leader of the Thai Delegation pointed out the ongoing rapid and profound changes in the world economy with long-term consequences on ASEAN well into the next century and the need for ASEAN to prepare itself to face the challenges. He suggested actions for the effective strengthening of intra-ASEAN economic cooperation emphasizing on the need to address the issues with open-mindedness and imagination.
 11. H. E. Mr. Jose S. Concepcion Jr., Leader of the Philippines delegation said that the last decade of this century provides us the opportunity of drawing up the ASEAN Vision for the 21st century especially in the light for the new economic blocs being organised which presents opportunities and threats. He proposed that the Senior Officials submit to the ASEAN Economic Ministers in Jakarta a working document that will spell out bold responses and initiatives based on principles and strategies to be adopted by ASEAN that will lead to free movement of goods, people, and capital in ASEAN. Such strategies should take full advantage of the new international environment. He called for a complete review of the ASEAN economic organisation.
 12. H. E. Dato' Seri Rafidah Aziz, Leader of Malaysian Delegation emphasized the importance of formulating ASEAN's strong common approaches and strategies in facing the various issues that affect ASEAN trade with the rest of the world. She felt that to cope with new challenges, ASEAN should continue to identify new initiatives as well as long-term policies for the 1990's and beyond.
 13. H. E. Radius Prawiro stated that in view of the growing importance of ASEAN's trade relation both within and outside the region, ASEAN have to further improve its cooperation to strengthen the economic viability of the region. He opined that ASEAN should be more innovative and make increasing efforts to strengthen existing forms of cooperation and to explore new ones.
 14. H. E. Brig. Gen. (Res) Lee Hsien Loong, Leader of the Singapore Delegation referred to the new

realities facing ASEAN and in particular the fact that ASEAN was now going through a turning point in its economics affairs. He pointed out that swift developments both within and outside the Asia-Pacific region such as the Asia-Pacific Economic Cooperation (APEC) process, the EC 1992, and the changes in Eastern Europe presented ASEAN with challenges and opportunities which ASEAN should take initiatives to tackle in an effective manner.

15. In the areas of finance and banking, the Ministers noted that ASEAN member countries with official foreign exchange quotation now include other ASEAN currencies in their quotations and also the progress of the ASEAN Reinsurance Corporation.

16. In the field of food, agriculture and forestry, the Ministers noted that several regional projects had been implemented and new project proposals formulated to further enhance ASEAN cooperation in this field. With regard to the recent anti tropical timber campaign, the Ministers noted that there have been significant ASEAN efforts on forest management, conservation and development and therefore agreed to dispatch a Ministerial-level delegation to consuming countries in 1990 to counter the issue so that there is better appreciation by the international community.

17. With regard to cooperation in industry, mining and energy, the Ministers approved Thailand's proposed ASEAN Potash Mining project to replace the ASEAN Rock-Salt-Soda Ash project as its ASEAN Industrial Project. The Ministers noted that Brand-to-Brand Complementation (BBC) schemes proposed by Mitsubishi Motor Corporation, Volvo, and Mercedes Benz had been approved by COIME. The Ministers also noted that COIME had approved in principle the Toyota Motor Corporation's scheme. In addition, the Ministers approved the inclusion of 7 products in the AIJV list of Pre-Approved products.

18. The Ministers agreed to accelerate the implementation of the AIJV projects by the private sector and to remove any undue bureaucratic obstacles faced by them.

19. The Meeting also noted the progress on the implementation of the 8-point initiatives to enhance ASEAN cooperation on commodities. The assignment of responsibility and prioritisation of commodity list as well as work programmes on the market development of ASEAN commodities including tropical vegetable oils and timber were adopted.

20. To achieve the objective of effectively increasing ASEAN Trade, the Ministers agreed to reduce the items in the Exclusion List to make more meaningful offers as well as the further deepening of MOP's.

21. With regard to the proposed establishment of the ASEAN Data Bank on Commodities (ADBC), the Meeting noted that ADBC would initially be established as an integral part of the ASEAN Secretariat to be linked to the ASEAN member countries and urged the acceleration of its establishment.

22. On Intra-ASEAN trade cooperation, the Ministers noted that with the implementation of the 1989 PTA programmes, a total of 335 items would be introduced into the PTA with a minimum margin of preferences (MOPs) of 25% and this would bring the total PTA items to 14,801. On the deepening of MOPs for existing items, a total of 2,828 items would be enjoying further deepening of MOPs. On the 1990 programmes and product lists, the Ministers approved their implementation and noted that a total of 500 items would be introduced into the PTA and another 3,544 existing items would enjoy deepening of MOPs.

23. The Ministers noted that the strengthening of the ASEAN Road/Rail/Shipping/Ferry/Air links will ultimately form an overall ASEAN Transportation Network. The new ferry link services have also

been planned between Belawan–Langkawi–Phuket; Cebu–Sandakan; Pontianak–Kuching or Sibul; and Palawan–Kota Kinabalu. There were also already intra-ASEAN airlines links between major points of ASEAN countries. The sharing of Airlines facilities, fuel purchase and pooling of aircraft parts have been identified as possible areas of cooperation.

24. The Ministers also noted that the Visit ASEAN Year 1992 campaign would be conducted in four principal markets, namely; Japan, Australia, West Germany and the ASEAN region.

25. On the cooperation with Third Countries/International Organisation, the Ministers noted that the dialogue process between ASEAN and its dialogue partners had brought about positive result particularly in the areas of technical assistance and development cooperation. However, in the area of commercial cooperation, progress has been disappointing particularly on issues relating to market access to products for export interest to ASEAN; high tariff walls and stringent non-tariff measures; improvements to the GSP; and imposition of stringent trade policies and trade restrictive measures such as anti-dumping and CVD actions.

26. The Ministers noted that the Sectoral Dialogue between ASEAN and the Republic of Korea had been established since 2 November 1989 through the exchange of letters between the Foreign Ministers of Indonesia, the current Chairman of the ASEAN Standing Committee, on behalf of ASEAN, and the Foreign Minister of the Republic of Korea. Initially, the areas of cooperation include trade, investment and tourism. This could be expanded later on to cover other areas such as development cooperation, transfer of technology and human resources development.

27. On the ASEAN-US Initiative (AUI), the Ministers directed the ASEAN Senior Economic Officials to study the AUI Report with the view to determining the issues where ASEAN could have a joint approach. The Senior Economic Officials should hold an informal consultation with the US to determine the desirability of setting up a joint working group and report its findings to the ASEAN Economic Ministers prior to the Meeting between the ASEAN Economic Ministers and the US Trade Representative in June 1990.

28. On the Asia-Pacific Economic Cooperation (APEC), the Ministers exchanged views on the result of the APEC Ministerial-level Meeting in Canberra on 6–7 November 1989. They noted that ASEAN's role in promoting the Asia-Pacific Cooperation through the ASEAN Post Ministerial Conferences (PMC) had been duly acknowledged by the other participating countries in the Canberra Meeting. They were aware that more work would be required to cope with the increasing opportunities and challenges presented by greater economic interdependence among the Asia-Pacific nations. In this regard, the Ministers reaffirmed ASEAN's common stand that the ASEAN Secretariat should continue to play the coordinating role in the preparatory activities leading to the next APEC Ministerial-level Meeting tentatively scheduled to be held in Singapore in June 1990, thus coinciding with the auspicious event of the 25th Anniversary Celebration of Singapore. They also reiterated ASEAN determination to uphold and promote its cohesion and solidarity as one of the main principles underlying the ongoing APEC consultation process. The Ministers were confident that ASEAN would play a positive and pivotal role in such process.

29. On the Uruguay Round of Multilateral Trade Negotiations (URMTN), the Ministers recognised the vital importance that a successful conclusion of the URMTN will have on the future of GATT and multilateral trading system. They reaffirmed their strong commitments to the conclusion of the Round by December 1990. To this end, ASEAN will continue to play a constructive role in the final crucial phase of the negotiations and urge other participants to do likewise.

30. To ensure the success of the Round, considerable joint effort must be undertaken so that its outcome must be meaningful and beneficial to all participants. In this regard, the Ministers noted the lack of progress in the negotiating groups. Market access issues which are of interest to ASEAN have not been given enough emphasis, whereas new issues have gained momentum. There is also imbalance in the rule-making area where greater concentration has been given to rules of interest to developing countries such as safeguards, anti-dumping and countervailing measures and dispute settlement. The Ministers urged that this imbalance be redressed as soon as possible.

31. The Ministers furthermore insisted that the international trading rules on competition that emerge from the Uruguay Round be open, fair and equitable. GATT rules on Anti-Dumping and Countervailing Actions should be further clarified and made more precise so as to minimise the possibility of discretionary abuse by user-government. They should not be used as a form of disguised protectionist instrument against import. In this connection, ASEAN views will grave concern any proposals that are intended to circumscribe new competitors.

32. The Ministers noted with grave concern that the principle of special and differential treatment (S & D) for developing countries which is embodied as an integral part of the Punta del Este Declaration has been constantly ignored or diluted in all areas of negotiations. They reaffirmed the importance that ASEAN attaches to S & D as one of the principles governing the negotiations and as an integral element of the evolving GATT system.

33. The Ministers, aware of the challenges and opportunities arising from greater economic interdependence and integration among the Asia-Pacific nations as well as the significant economic and political changes which have been taking place within and outside the region, agreed that ASEAN should further strengthen its economic cooperation with genuine efforts and commitment to cope with the impending arrival of the last decade of the twentieth century. The Meeting agreed that new initiatives must continue to be made in trade, investment, transfer of technologies and other fields of intra-ASEAN economic cooperation.

34. The Ministers directed the Senior Officials to take a bold and innovative approach in addressing the issues facing the region with the view to formulating the long-term program based on broad policy outlook for the 1990's, thus enabling ASEAN to effectively meet the increasing challenges and opportunities.

35. The Ministers agreed to hold the Twenty-Second AEM Meeting in Indonesia in early October, 1990.

36. The Ministers expressed their most grateful appreciation to His Majesty the Sultan and Yang Di-Pertuan Negara Brunei Darussalam for the valuable guidance and framework for all the deliberations of this Meeting as well as for His Majesty's gracious hospitality.

37. The delegations of Indonesia, Malaysia, Philippines, Singapore and Thailand expressed appreciation to the Government and People of Brunei Darussalam for the warm hospitality extended to them and the excellent arrangements made for the Meeting. The Meeting also expressed appreciation to the ASEAN Secretariat for their most valuable assistance.

38. The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.

SOURCE: Ministry of Foreign Affairs, Singapore.