

1978 JOINT PRESS RELEASE OF THE 6TH ASEAN ECONOMIC MINISTERS' MEETING

Signed in Jakarta, Indonesia on 5-7 June 1978

1. The President of the Republic of Indonesia, H.E. Soeharto formally opened the Sixth Meeting of the ASEAN Economic Ministers, which was held in Jakarta, Indonesia on 5-7 June 1978.
2. The Meeting was attended by H.E. Dr Widjojo Nitisastro, Minister Coordinator for Economic, Financial and Industrial Affairs and Chairman of the National Development Planning Agency of Indonesia; H.E. Mr. Radius Prawiro, Minister of Trade and Cooperatives of Indonesia; H.E. Dr. Soedarsono Hadisapoetro, Minister of Agriculture of Indonesia; H.E. Mr. A.R. Soehoed, Minister of Industry of Indonesia; H.E. Mr. Rachmat Saleh, Governor, Central Bank of Indonesia; H.E. Datuk Seri Dr. Mahathir bin Mohamed, Deputy Prime Minister/ Minister of Trade and Industry of Malaysia; H.E. Dr. Gerardo P. Sicat, Secretary of Economic Planning of the Philippines; H.E. Mr. Vicente T. Paterno, Secretary of Industry and Chairman, Board of Investments of the Philippines; H.E. Mr. Cesar E.A. Virata, Secretary of Finance of the Philippines; H.E. Hon Sui Sen, Minister for Finance of Singapore; H.E. Goh Chok Tong, Senior Minister of State for Finance of Singapore; H.E. Mr. Ong Teng Cheong, Senior Minister of State for Communications; H.E. Mr. Kasame Chatikavanij, Minister of Industry of Thailand; H.E. Mr. Prok Amaranand, Deputy Minister of Commerce of Thailand and their respective Delegations. H.E. Mr. Umarjadi Njotowijono, Secretary-General of the ASEAN Secretariat was also in attendance.
3. In his opening address, H.E. President Soeharto stated that the Meetings of Heads of Government and reciprocal visits of the officials at all levels were clear indications of the growing mutual confidence, understanding and friendship.

He emphasised that although ASEAN has been recognised as a reality and a force, it was not intended to confront against any country whatsoever. It would neither pit itself against any group of nations nor become the tool of any major power.

The President noted that since the meetings of Heads of Government held in Bali and Kuala Lumpur, progress has been achieved in various fields. Moreover, ASEAN is determined and will continuously exert efforts to reach new agreements. He cited the increasing recognition of the international community gained after the Kuala Lumpur Summit Meeting, by pointing to the progress achieved in the dialogue with the industrialised countries.

The President stressed that ASEAN should develop in such a way that it is in position to maintain its capability to determine its own future and should enable its member countries to strengthen their own national resilience.

He expressed the hope that during the current meeting of the ASEAN Economic Ministers, the number of commodities covered by the ASEAN Preferential Trading Arrangements be considerably increased to reflect serious efforts of ASEAN member states to carry out cooperation in the field of trade which is mutually beneficial for all ASEAN countries.

The President also hoped that rapid progress could be achieved on a number of ASEAN Industrial Projects, so as that their construction could be immediately be initiated.

The President was further pleased to learn that significant progress had been achieved in the fields of food, agriculture and forestry which is of utmost importance to the life of the majority of the peoples of ASEAN. He also stressed the importance to the life of the majority of the peoples of ASEAN. He also stressed the importance of an agreement on the safeguard of ASEAN food problems.

4. H.E. Dr Widjojo Nitisastro, Minister Coordinator for Economic, Financial and Industrial Affairs and Chairman of the National Development Planning Agency of Indonesia, and H.E. Datuk Seri Dr. Mahathir bin Mohamed, Deputy Prime Minister/ Minister of Trade and Industry of Malaysia were unanimously elected Chairman and Vice-Chairman, respectively.
5. The Meeting considered and adopted the Reports of the five Committees of the ASEAN Economic Ministers.
6. The Economic Ministers approved the trade preferences on 755 additional items to be implemented on 1 September 1978. It was further agreed that at each future round of negotiations on trade preferences, each country would make offers for at least 100 items.
7. The Meeting agreed that member countries set up immediately a system for regionally coordinated national reserves for rice.
8. The ASEAN Economic Ministers agreed on the text of the Basic Agreement on ASEAN Industrial Projects, which covers for the first five ASEAN Industrial Projects the principles governing their establishment, equity participation, membership in the board of directors, the manners of obtaining project financing, entitlement of products to Preferential Trading Arrangement, treatment on the tax and incentives, laws of the host country, and pricing of the product to the member countries.
9. The ASEAN Economic Ministers accepted the Malaysian Urea Project as an ASEAN Industrial Project, with a capacity of 1,500 MTPD Urea.
10. The ASEAN Economic Ministers agreed on the texts of Supplementary Agreements for the ASEAN Urea Projects in Indonesia and Malaysia. Those Supplementary Agreements contain the special provision needed to supplement the Basic Agreement for these two projects, and cover gas price, the nature of the market support required and the details for the product pricing mechanism.
11. The ASEAN Economic Ministers are endorsing Basic Agreement and the Supplementary Agreements for these first two ASEAN Industrial Projects to the Foreign Ministers for their signing.
12. The member countries will designate their respective shareholding entities in early July which shall then proceed to negotiate the Joint Venture Agreement leading to incorporation of the project company.
13. The ASEAN Economic Ministers directed the Committee on Industry, Minerals and Energy (COIME) to invite the ASEAN Chamber of Commerce and Industry (ASEAN-CCI) to come forward with tentative industrial complementation schemes within the framework of draft guidelines to be provided to them by Committees on Industry, Minerals and Energy. The workability of those guidelines would thus be evaluated against these private sector

proposals, and they could be improved or modified accordingly, before the guidelines would be considered by the next ASEAN Economic Ministers Meeting.

14. The Meeting noting a move on the part of the Australian Government to introduce a scheme on low cost air travel, expressed concern that the scheme might prohibit the traditional stop-overs in ASEAN region by travellers between Australia and Europe. To this end the Meeting decided to bring forth the matter to the Australian Government with the hope that any low cost air travel to be introduced between Australia and Europe would not be detrimental to the tourist and civil aviation industries in the ASEAN region.
15. The Meeting agreed that rediscount facility be implemented as an instrument for Preferential Trading Arrangement.
16. The Meeting agreed to accept in principle the proposed Japan-ASEAN Cooperation Centre on Trade, Tourism and Investment in Tokyo and that detailed study of the proposals will be made.
17. The Meeting reviewed the progress in ASEAN dialogue with third countries and international organizations.
18. The Meeting noted that the forthcoming Second ASEAN-US Dialogue at Ministerial level will be held in Washington DC in August 1978.
19. The Meeting noted that an ASEAN-Australia Investment Seminar would be held in Melbourne on 19-21 June 1978.
20. The Meeting agreed that Indonesia would host the Second ASEAN-EEC Conference on Industrial Cooperation.
21. In the field of commodities the Meeting reviewed the status of the negotiations on the Common Fund. The Meeting reiterated the importance of the Common Fund to the achievement of the objectives of the Integrated Programme for Commodities. Accordingly, the Meeting emphasised the need for its early establishment and operation. The Meeting agreed that ASEAN would continue to play an active role in efforts to bring negotiations on the Common Fund to a successful end. The Meeting welcomed initiatives to find solutions to the differences between different groups of countries and pledged to continue playing a constructive role at the next negotiating conference.

With regard to STABEX, the Meeting reiterated its desire to pursue the establishment of STABEX between ASEAN and third countries as expeditiously as possible.
22. The Delegations of Malaysia, the Philippines, Singapore and Thailand expressed their sincere appreciation to the people and Government of Indonesia for the warm hospitality accorded to them and for the excellent arrangement made for the Meeting.
23. The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.