

## 1981 JOINT PRESS RELEASE OF THE 11<sup>TH</sup> ASEAN ECONOMIC MINISTERS' MEETING

*Signed in Jakarta, Indonesia on 29-30 May 1981*

1. The Eleventh Meeting of the ASEAN Economic Ministers held in the ASEAN Secretariat in Jakarta on 29-30 May 1981. The Meeting was officially opened by H.E. Mr. Soeharto, President of the Republic of Indonesia and was preceded by a preparatory meeting of ASEAN Senior Economic Officials held on 26-27 May 1981.
2. The Meeting was attended by H.E. Datuk Paul Leong Khee Seong, Minister of Primary Industries; H.E. Datuk Leo Moggie, Minister of Energy, Telecommunications and Posts of Malaysia; H.E. Dr. Gerardo P. Sicat, Minister of Economic Planning; H.E. Roberto V. Ongpin, Minister of Industry; H.E. Manuel T. Yan, Ambassador of the Philippines to Indonesia; H.E. Vicente Valdepenas Jr., Deputy Minister of Trade; H.E. Edgardo L. Tordesillas, Deputy Minister of Industry of the Republic of the Philippines; H.E. Goh Chok Tong, Minister for Trade and Industry; H.E. Sidek Saniff, Parliamentary Secretary, Ministry for Trade and Industry; H.E. Joseph F. Conceicao, Ambassador of Singapore to Indonesia; H.E. Prakaiproek Srutanond, Deputy Minister of Commerce; H.E. Narong Wongwan, Deputy Minister of Agriculture and Cooperatives; H.E. Chirayu Israngkun Na Ayuthaya, Deputy Minister of Industry; H.E. Chuay Kannawat, Ambassador of Thailand to Indonesia; and H.E. Widjojo Nitisastro, Minister Coordinator for Economic, Financial and Industrial Affairs; H.E. Radius Prawiro, Minister of Trade and Cooperatives; H.E. Ali Wardhana, Minister of Finance; H.E. A.R. Soehoed, Minister of Industry; H.E. Roesmin Nurjadin, Minister of Communications; H.E. Soebroto, Minister of Mines and Energy of the Republic of Indonesia; and their respective delegations.
3. H.E. Narciso G. Reyes, Secretary General of the ASEAN Secretariat and members of his staff were present.
4. H.E. Prof. Widjojo Nitisastro, Leader of the Indonesian Delegation, and H.E. Datuk Paul Leong Khee Seong, Leader of the Malaysian Delegation, were unanimously elected Chairman and Vice-Chairman, respectively.
5. The Meeting noted the recommendations made by the Second Meeting of the ASEAN Economic Ministers on Energy Cooperation held in Kuala Lumpur on 27 April 1981.
6. The Meeting adopted Reports of the Committee on Finance and Banking (COFAB), the Committee on Food, Agriculture and Forestry (COFAF), the Committee on Industry, Minerals and Energy (COIME), the Committee on Transportation and Communications (COTAC), and the Committee on Trade and Tourism (COTT).
7. The Meeting approved and initialled the Basic Agreement on ASEAN Industrial Complementation (AIC) for formal signing by the ASEAN Foreign Ministers in June 1981 in Manila. The Meeting also gave final approval to the Expanded Package of Existing Automotive components of AIC as follows:

Indonesia: Diesel engines (80-135 HP); motorcycle axles; wheel rims for motorcycles;

Malaysia: Spokes and nipples; drive chains and timing chains; crown wheels and pinions; seat belts;

Philippines: Body panels for passenger cars; transmissions; rear axles (LCV and below);

Singapore: Universal joints; oil seals; V-belts

Thailand: Body panels for commercial vehicles of one ton and above; brake drums for trucks heavy duty shock absorbers.

There shall be initially an across-the-board tariff cut of 50 per cent for products in an AIC package.

8. The Meeting further approved the proposal for a copper fabrication plant as an ASEAN Industrial Project for the Philippines.
9. The Meeting agreed that each country may propose up to three ASEAN Industrial Projects (AIPs) at any one time.
10. a) The Meeting approved tariff preferences on 750 items exchanged during the Twelfth Committee on Trade and Tourism (COTT) Meeting and noted that the number of preferences exchanged under the Preferential Trading Arrangement (PTA) now total 6,581 items. The Meeting also noted that pursuant to the decision to grant a 20% Margin of Preference on items with import values of less than US\$50,000 as recorded in the import statistics of member countries in 1978, a total of 4,508 items will be accorded preferences under the scheme.  
  
b) To promote further expansion of trade, the Meeting decided that:
  - a. Tariff concessions with a 20-25% preference be extended to items where the import value was equal to or less than US\$500,000 (c.i.f.) based on 1978 statistics, with an exclusion list of sensitive items;
  - b. COTT study the implications of raising the concessions to the level of US\$1,000,000 (c.i.f.) or more;
  - c. COTT study how expansion of trade in food products under the Customs Cooperation Council Nomenclature (CCCN) be more intensified, considering deeper tariff cuts and other means of tariff preferences as measures to promote this trade;
  - d. Voluntary offers in tariff negotiations be expanded to 400 items per member , and
  - e. The Meeting agreed to direct Committee on Trade and Tourism (COTT) to study other measures to expand intra-ASEAN trade.
11. The Meeting reaffirmed the Resolution on Shipping and Trade that has been adopted by the Tenth ASEAN Economic Ministers Meeting and directed the Committee on Transportation and Communications (COTAC) to study the feasibility of setting up a regular ASEAN liner service.
12. The Meeting noted the progress of ASEAN economic cooperation projects with third countries and international organizations.

13. The Meeting also reviewed the progress of negotiations on international economic issues in such areas as commodities, textiles, ECDC and GATT.
14. a) The Meeting reaffirmed the stand of the Informal Ministerial Meeting of ASEAN Tin Producing Countries held in Kuala Lumpur in April 1981, which stressed that the negotiations be concluded at the coming final session in Geneva. In view of the time constraint, the Ministers called on all delegations attending the final session to obtain full mandates from their respective governments to conclude an equitable and effective Agreement in the final session.  
  
b) The Meeting expressed concern that the US had not heeded the repeated calls by producers to suspend disposals from the GSA stockpile under the present weak tin market conditions. The Meeting noted that the recent sales of tin by the GSA when the price remained in the lower sector of the price range has had a clear disruptive effect on the market and consequently on ASEAN economies. They requested the US to cooperate by suspending such sales immediately.  
  
c) Considering the rising production costs of tin in the producing countries and the unrealistic buffer stock price range prevailing, the Meeting agreed that ASEAN should press for a substantial upward revision of the buffer stock price range at the earliest opportunity in the coming International Tin Council Meeting.  
  
d) The Meeting expressed concern that narrow and short term national interest of some developed consuming countries were restricting the implementation of the Integrated Program for Commodities and undermine the spirit of international cooperation essential for the effective functioning of International Commodity Agreements. The Ministers called on the International Community, especially the developed consuming countries, to display the political will to ensure that time tested and proven examples of international cooperation like the International Tin Agreement are continued for the mutual benefit of both producers and consumers. In this context the Meeting agreed that the issue of the 6<sup>th</sup> ITA negotiations be taken up during the meeting of ASEAN Foreign Ministers with their counterparts from the US, Japan and EEC, scheduled on 19 June 1981 in Manila.
15. The Meeting agreed that each member country instruct its chief textile negotiators to meet and formulate a common ASEAN position before the Textile Committee Meeting in Geneva.
16. In order to provide a framework for mutual understanding between ASEAN Ministers and the private sector operating in an ASEAN context, the Meeting agreed that the ASEAN Chamber of Commerce and Industry (ASEAN-CCI) be invited to report to the AEM Meeting through their spokesman on their views and expectations in respect to the progress of ASEAN Economic Cooperation.
17. The Twelfth ASEAN Economic Ministers Meeting will be held in Malaysia in late November 1981.
18. The delegates of Malaysia, the Philippines, Singapore and Thailand expressed their sincere appreciation to the Government and people of the Republic of Indonesia for the warm hospitality accorded them and the excellent arrangements made for the Meeting.
19. The Meeting was held in the traditional spirit of ASEAN solidarity and cordiality.