

1984 JOINT PRESS RELEASE OF THE 16TH ASEAN ECONOMIC MINISTERS' MEETING

Signed in Jakarta, Indonesia on 7-9 May 1984

1. The Sixteenth Meeting of the ASEAN Economic Ministers was held in Jakarta, Indonesia on 7-9 May 1984. The Meeting was formally opened by H.E. Mr. Umar Wirahadikusumah, Vice-President of the Republic of Indonesia, and was preceded by a Preparatory Meeting of ASEAN Senior Economic Officials held on 4-5 May 1984.
2. The Meeting was attended by H.E. Pehin Dato Abdul Rahman, Minister of Development of Brunei Darussalam; H.E. Dr. Ali Wardhana, Minister Coordinator for Economy, Finance and Industry and Development Supervision of Indonesia; H.E. Mr. Rachmat Saleh, Minister of Trade of Indonesia; H.E. Mr. Hartarto, Minister of Industry of Indonesia; H.E. Tengku Ahmad Rithauddeen, Minister of Trade and Industry of Malaysia; H.E. Dato Paul Leong Khee Seong, Minister of Primary Industries of Malaysia; H.E. Mr. Roberto V. Ongpin, Minister of Trade and Industry of the Philippines; H.E. Dr. Vicente B. Valdepenas Jr., Minister of Economic Planning of the Philippines; H.E. Mr. Edgardo L. Tordesillas, Deputy Minister of Trade and Industry of the Philippines; H.E. Dr. Tony Tan Keng Yam, Minister for Finance and Minister for Trade and Industry of Singapore; H.E. Mr. Sidek Saniff, Parliamentary Secretary of the Ministry of Trade and Industry of Singapore; H.E. Mr. Sommai Hoontrakool, Minister of Finance of Thailand; H.E. Mr. Phairojana Jayaphorn, Deputy Minister of Commerce of Thailand; H.E. Dr. Chirayu Isarangkun Na Ayuthaya, Deputy Minister of Industry of Thailand, and their respective delegations.
3. H.E. Mr. Chan Kai Yau, the Secretary General of the ASEAN Secretariat, and members of his staff were also present.
4. The Vice-President of the Republic of Indonesia, H.E. Mr. Umai Wirahadikusumah, in his opening address, referred to the Bangkok Declaration as the fundamental basis for the establishment of ASEAN to foster economic, social and cultural development in the respective countries and attain prosperity for the peoples in the ASEAN region. As an association for regional cooperation ASEAN has been able to grow despite the difficult political and economic situation and gained international respect and recognition from the developing and developed countries. The Vice-President also stated that the private sector plays an important role in the development of ASEAN economic cooperation.
5. The leaders of delegations were also received by the President of the Republic of Indonesia, H.E. Mr. Soeharto.
6. H.E. Dr. Ali Wardhana, Leader of the Indonesian Delegation and H.E. Tengku Ahmad Rithauddeen, leader of the Malaysian Delegation, were elected Chairman and Vice-Chairman of the Meeting, respectively.
7. The Ministers reviewed the progress made in economic cooperation within the ASEAN region. They noted that the ASEAN Ministerial Understanding on Fisheries Cooperation which was signed at the Fifth Meeting of the ASEAN Ministers on Agriculture and Forestry held in Singapore on 20 - 22 October 1983, would further enhance the ASEAN cooperation in this field.

8. The Ministers supported Indonesia's offer to host the Headquarters of the International Tropical Timber Organisation (ITTO) in Jakarta.
9. Following the signing of the Basic Agreement on ASEAN Industrial Joint Ventures (BAIN) in Jakarta during the Special ASEAN Ministerial Meeting on November 7, 1983, a step to translate the Basic Agreement into a concrete result has been made. The Ministers approved the first list of AIJV products consisting of the following:
 - i. Constant Velocity Joints (Fixed and Plunging Types) and/or finished, semi-finished parts and sub-assemblies thereof;
 - ii. Mechanical and Power Rack and Pinion Steerings including Tierods, Ball Joints and Linkages and/or finished, semi-finished parts and sub-assemblies thereof;
 - iii. Frit; and
 - iv. Motorcycle Electrical Parts (composed of Main Switch Assy, Speedometer Assy, Tachometer Assy, Pilot Lamp Assy, Stop Switch, Head light Assy, Flasher Relay Assy, Audio Pilot Assy, Fuel Gauge Assy, Ignition Coil Assy Rectifier, Regulator Assy, Rectifier Assy, Condenser Discharge Ignition Unit, Lever Holder Assy, Switch Handle Assy).
10. The Ministers expressed the hope that, with this first list of AIJV products, the ASEAN private sector would be encouraged to establish more industrial joint venture projects among themselves.
11. The Ministers considered and approved the proposed Hepatitis Vaccine B Project by Singapore and initialled the Supplementary Agreement to the Basic Agreement on ASEAN Industrial Projects (BAAIP) - ASEAN Vaccine Project (Singapore).
12. On cooperation in transportation and communication, the Ministers expressed concern over the new US Shipping Act 1984 which apparently did not meet the assurances given during the Fifth ASEAN - US Dialogue December 1983. The Ministers noted that this Act does not contain provisions that will enable ASEAN Shippers Councils to negotiate with US based conferences on General Rate Increase (GRI), unless the present ASEAN shippers councils conform to its provisions. The Ministers also expressed concern that this Act does not exempt ASEAN Shipping Lines from the "Controlled - Carrier" provisions.
13. With regard to the ASEAN Airlines – Lufthansa issue, the Ministers noted with regret the unilateral fare reduction on the West Germany – Hong Kong sector by Lufthansa/ Cathay Pacific will severely affect ASEAN stopovers. The Meeting expressed hope that the prolonged issue be resolved as soon as possible.
14. In reviewing the progress made in ASEAN trade cooperation, the Ministers noted with satisfaction that ASEAN member countries have agreed to deepen the margins of preference (MOP) gradually up to a maximum of 50%. In this connection, some 3558 items under the PTA have been given deeper MOP effective May 1, 1984.

15. As a step further towards the improvement of trade cooperation within the region, the Ministers noted COTT's decision to consider sectoral approach in determining future exchanges under the PTA. The sector exercise will cover canned food, other food products, beverages, and tyres.
16. The Ministers approved the application on 20-25% across-the-board tariff cut on all items with import value beyond US\$ 10 million with provision of new exclusive lists. Recognizing that the exclusion lists are the obstacle to the expansion of intra-ASEAN trade through this scheme, the Ministers directed the Committee on Trade Tourism (COTT) to exert full efforts in reducing the number of exclusion items.
17. The Ministers also approved the additional trade preferences exchanged bilaterally. The Ministers also noted the tariff concessions have been granted to 18,341 items.
18. The Ministers reviewed the progress of ASEAN cooperation with its dialogue partners and expressed concern over the continuing trade imbalance and protectionist measures practised by dialogue partners which have impeded ASEAN exports from gaining greater access to their market. The Ministers urged the dialogue partners to display concretely their commitment to the stand-still and roll-back of protectionist measures made on several occasions, including the last Economic Summit at Williamsburg.
19. The Ministers noted with satisfaction that Australia had committed an additional commitment of A\$ 30.36 million for ASEAN projects.
20. The Ministers also noted that Japan had reduced Preferential Tariff Rates for some products and raised the quota ceiling for industrial products by around 50% during fiscal year 1983. The Ministers however expressed hope that further tariff reduction on products of vital interest to ASEAN will soon be made.
21. The Ministers was informed of Japan's readiness to host the Second ASEAN-Japan Economic Ministers Meeting. The Ministers were of the view that the Economic Ministers of both sides should make full use of this forum to resolve existing economic problems between ASEAN and Japan. In this regard, the Ministers reiterated the importance of thorough preparations at the level of Senior Economic Officials.
22. The Ministers agreed to propose that a meeting of ASEAN and Japanese senior economic officials be held in late August/ early September 1984 with the purpose of coming up with a specific agenda for the Ministerial Meeting which could be held in the first half of 1985.
23. With regard to the US-GSP Renewal Bill, the Ministers urged the US Congress to be more forthcoming in their consideration of the Bill.
24. The Ministers expressed grave concern over the possible move to impose higher tariff measures against import of canned tuna by the US.
25. The Ministers noted that the EC is currently formulating a Directive on "Containers of Liquids for Human Consumption." The Ministers expressed concern that possible legislative measures arising if this directive is implemented, include a ban on non-refillable containers,

the introduction of deposit laws, or the imposition of discriminatory taxation. The Ministers felt that any of these restrictive measures could have a very serious effect on the market for tins within the EC and consequently on the demand for tin. Considering that ASEAN is the world's biggest supplier of tin, the Ministers expressed concern at the threat to tin consumption posed by the proposed Directive. As such, the Ministers urged the EC to refrain from suggesting or taking any measures which may adversely affect tin consumption.

26. The Ministers were concerned over the EC intention to change the classification of "fire-cured tobacco" to "Kentucky fire-cured tobacco". They also expressed concern over the move to reclassify tapioca products from Thailand. The Ministers further agreed that appropriate action should continue to be pursued in respect of the proposed imposition of consumption tax on vegetable oils by the EC.
27. In reviewing the world economic situation, the Ministers observed that despite the economic recovery in some major industrialized countries, the developing countries have not emerged from the prolonged global recession that has severely affected their economic development. The call of the developing countries for urgent measures to redress the commodity issues through the multilateral producer-consumer cooperation has not been satisfactorily responded. In addition the rising interest rates in certain developed countries have continued to aggravate the debt problem of the developing countries. The Ministers agreed that rising interest rates, if unchecked, can endanger world economy recovery and retard still further efforts to reactivate the development process of the developing countries. The Ministers felt therefore that the industrialised countries should pursue concerted economic policies which will result, in keeping with the reality of growing economic interdependence among nations, in sustained economic recovery and accrue mutual benefits to both developed and developing countries.
28. The Ministers recommended that each member country should establish an effective data collecting system on important fields, such as commodities, to be made available to other ASEAN member countries through the ASEAN Secretariat. The eventual establishment of a central data system at the ASEAN Secretariat will help provide up-to-date information and analyses on these commodities.
29. The Ministers noted the need for producers to facilitate a pragmatic balance between supply and demand for commodities of interest to ASEAN wherever possible. This approach is important in order to assist producers in obtaining remunerative prices for their commodities while ensuring adequate supply of such commodities to the consumers.
30. The Ministers noted that a Task Force on Natural Rubber set up by the Malaysian Rubber Research and Development Board had completed its report. The report would be referred to the relevant Ministers of Natural Rubber producing countries for appropriate actions.
31. The Ministers noted that the Malaysian Government's intention to establish a physical market for tin in the form of the Kuala Lumpur Tin Market (KLTM) and a tin future contract to be traded on the Kuala Lumpur Commodities Exchange (KLCE) would promote the more equitable participation of producers in the marketing of their commodities. The Ministers

agreed to convey to the relevant Ministers, the Malaysian Government's request that the members of the International Tin Council acknowledge the KLTM as a recognized market in which buffer stock operations can be undertaken by the ITC.

32. The Ministers noted that the efforts of ASEAN tin producing countries to intensify efforts to curb the smuggling of tin had succeeded in reducing the overhanging surplus and had helped to stabilise the international tin market. These anti-smuggling measures had also contributed to the efficiency of export control and as a result, the rate of depletion of tin stocks had been accelerated to about 2500 tonnes per month, from the previous rate of 1000 tonnes per month prevailing in the fourth quarter of 1983.
33. The Ministers agreed that ASEAN should continue to work for the conclusion of a new International Sugar Agreement and to continue to urge the EC to accede to the ISA.
34. The Ministers noted that the activities at present being undertaken by ASEAN in relation to the ASEAN Preferential Trading Arrangement (PTA) and the work of its various Committees constitute effective implementation of Economic Cooperation Among Developing Countries (ECDC) and Technical Cooperation Among Developing Countries (TCDC), and that ASEAN places focus on ECDC and TCDC in the context of ASEAN's active involvement with the rest of the global community, and in particular with the Group of 77, in the common effort to achieve a New International Economic Order.
35. The Ministers considered the possibility of a new round of multilateral trade negotiations. They agreed that with growing signs of international economic recovery, it would be a good time to implement trade liberalization which was essential to the health of the international economy and to the continued economic dynamism of ASEAN. The Ministers however stressed that any round of trade negotiations should improve access to markets of developed countries. The Ministers also stressed, among other points, that for a new round of trade negotiations to receive wide support, commitments undertaken in the Tokyo round should be implemented, the progress of the present GATI work programme should not be impeded, and the introduction of new or additional protectionist measures should be halted.
36. The Ministers agreed that ASEAN should intensify its joint approach in cooperation with UNIDO, and attached great importance to the convening of the Fourth General Conference of UNIDO to be held in Vienna, August 1984.
37. With regard to the ASEAN Task Force Recommendation on Economic Cooperation, ASEAN Machinery and Funding of ASEAN Projects, the Ministers agreed that:
 - i. ASEAN should closely monitor the economic development of member countries in the context of sub-regional, regional and global economic developments with the view to identifying areas for cooperation, common strategies and joint approaches, and avoiding conflicts.
 - ii. On matter related to tariff preferences exchanges under the PTA, the exchanges among member countries should continue on the basis of non-discrimination via the Most-Favoured-Nation (MFN) principle.

- iii. With regard to the first set of AIPs, it should be continued and the procedures governing its implementation be streamlined.
 - iv. Cooperation in the area of transportation and communication should be further enhanced.
 - v. With regard to the recommendations on the ASEAN machinery, the ASEAN Secretariat be provided with adequate staff and funds so that it can carry out effectively its functions and that the provision of funds should be carried out through its budgetary system.
 - vi. While ASEAN welcomed financial assistance from third parties, the existing ASEAN Fund should be more fully and efficiently utilised for ASEAN projects.
38. The Ministers noted that the ASEAN Trade Fair which will be held in Bangkok on 26 October-4 November 1984, will concentrate on promoting intra-ASEAN trade.
39. The Seventeenth Meeting of the ASEAN Economic Ministers will be held in Kuala Lumpur in early February, 1985.
40. The delegations of Brunei Darussalam, Malaysia, the Philippines, Singapore and Thailand expressed appreciation to the Government and people of Indonesia for the warm hospitality extended to them and the excellent arrangements made for the meeting. The Ministers also expressed appreciation to the ASEAN Secretariat for their valuable assistance.
41. The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.