

1985 JOINT PRESS RELEASE OF THE 17TH ASEAN ECONOMIC MINISTERS' MEETING

Signed in Kuala Lumpur, Malaysia on 7-9 May 1985

1. The Seventeenth Meeting of the ASEAN Economic Ministers was held in Kuala Lumpur, Malaysia on 7-9 May 1985. The Meeting was formally opened by H.E. Dato' Seri Dr. Mahathir bin Mohamad, Prime Minister of Malaysia, and was preceded by a preparatory meeting of the ASEAN Senior Economic Officials held on 4-5 February 1985.
2. The Meeting was attended by H.E. Pehin Dato Abdul Rahman Taib, Minister of Development of Brunei Darussalam; H.E. Prof. 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 Razaleigh Hamzah, Minister of Trade and Industry of Malaysia; H.E. Dato Paul Leong Khee Seong, Minister of Primary Industries of Malaysia; H.E. Mr. Anwar Ibrahim, Minister of Agriculture of Malaysia; H.E. Datuk Leo Moggie Anak Irok, Minister of Energy of Malaysia; H.E. Mr. Muhyiddin bin Mohd. Yassin, Deputy Minister of Trade and Industry of Malaysia; H.E. Dato' Oo Gin Sun, Deputy Minister of Trade and Industry 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. Richard Hu, Minister of Trade and Industry of Singapore; H.E. Brig. Gen. (Res) Lee Hsien Loong, Minister of State for Trade and Industry and Minister of State for Defence 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. Phan Wannamethee, the Secretary General of the ASEAN Secretariat, and members of his staff were also present.
4. The Prime Minister in his keynote address noted that while ASEAN has made significant progress in the fields of political, cultural and social cooperation, much more could be done in the field of economic and trade cooperation. In calling upon ASEAN to reflect on what has been achieved so far, the Prime Minister drew attention to the fact that despite the proliferation of committees, and convening of countless meetings since the Bali summit of 1976, trade among ASEAN countries is still relatively small accounting for 20% of ASEAN's global trade.
5. The Prime Minister stressed that despite the competitive nature of ASEAN's economies, there are areas where ASEAN can achieve some degree of complementarity. He said that while there were several items which ASEAN needs and, which are produced by some member countries, it is regrettable that ASEAN should obtain them from outside the region. He went on to say that efforts should be made to identify items which member countries could literally exchange with each other. Towards this end the Prime Minister suggested that the ASEAN Secretariat should consider the setting up of a data bank to collect information and to undertake research and analysis on the import and export trade of ASEAN, its economic indicators, tariffs, tax structures, and trade legislations etc.

6. Touching on the issue of commodities, the Prime Minister drew attention to the fact that while effective world-wide commodity agreements are worth pursuing, intra-ASEAN cooperation on commodities should not be ignored. He added that the combined production of certain commodities by ASEAN is such that its voice carries considerable weight in commodity agreements and as such ASEAN should use its combined strength to influence trade in commodities.
7. Turning to the international economic arena, the Prime Minister noted that although the world economy is becoming increasingly interdependent, the developed countries which are not only the main sources of machinery and equipment but also of technology and know-how for the ASEAN economies, have resorted to inward-looking domestically palatable policies affecting both market access and investment capital. He added that the actions of these "free traders of convenience" are manifestation of the lack of political will on their part to honour commitments to developing countries.
8. With regard to ASEAN's relations with third countries, the Prime Minister observed that while ASEAN's cooperative efforts with them have led to some progress in certain areas, these countries have yet to respond positively in the key area of improved market access for ASEAN's exports. In calling for a review of ASEAN's dialogue programmes, the Prime Minister noted that as ASEAN represents a market of well over US\$ 70 billion, providing a ready market for all kinds of products and services, it would be in the enlightened self-interest of the dialogue partners to establish a mutually beneficial relationship and to take more seriously their dialogue with ASEAN.
9. The Prime Minister stressed that the private sector, spearheaded by the ASEAN Chambers of Commerce and Industry, should provide an important linkage in supplementing and complementing the efforts of the government in enhancing intra-ASEAN trade and in attracting the flow of investment and capital into the region.
10. H.E. Tengku Razaleigh Hamzah, leader of the Malaysian delegation and H.E. Mr. Roberto V. Ongpin, leader of the Philippine delegation were elected Chairman and Vice-Chairman of the Meeting respectively.
11. The Ministers reviewed the activities of the ASEAN Economic Committees toward the enhancement of economic cooperation and development in the ASEAN region.
12. On Industrial Cooperation, the Meeting approved the inclusion of the following products in the list of AIJV products:
 - i) Security Paper - Malaysia and Brunei Darussalam as participating countries.
 - ii) Potash Feldspar, Quartz - Thailand and Indonesia as participating countries.
 - iii) Slaughtered Meat - Thailand and the Philippines as participating countries.
13. The Ministers also approved the guidelines on the Preferential Shortlisting of pre-qualified ASEAN contractors bidding for certain projects in the ASEAN member countries.

14. The Ministers initialled the Agreement on the Recognition of Domestic Driving Licences in ASEAN countries with a view to facilitate and increase intra-ASEAN tourism. The Agreement once implemented would enable ASEAN nationals to drive within ASEAN without having to secure local driving licences. However, this facility cannot be used for commercial purposes. The Ministers firmly believed that increase in intra-ASEAN tourism will create better understanding among the peoples of ASEAN and enhance the prospect of a stronger regional cooperation.
15. The Ministers agreed that a study on new initiatives/ measures to promote greater intra-ASEAN trade be made. In addition such study should identify products that could be traded amongst the ASEAN countries as well as complementary measures to supplement the PTA.
16. In reviewing the progress made in ASEAN trade cooperation, the Ministers noted that ASEAN member countries have agreed to the application of 20-25% margins of preference (MOP) on items with import values beyond US\$ 10 million with provision of exclusion lists effective April 1, 1985. As a step further towards improving trade cooperation within the region, the Ministers approved the application of 25% across-the-board tariff cut instead of the present 20-25% MOP levels on all items with import values above US\$ 10 million.
17. The Ministers also approved the additional trade preferences negotiated bilaterally. The Ministers noted that the tariff concessions have been granted to those items.
18. The Ministers also reviewed ASEAN activities with its Dialogue Partners. While acknowledging the assistance extended thus far, the Ministers, nevertheless, felt that the Dialogue Partners have been elusive on the question of market access. The Ministers, among others, expressed disappointment over the Japanese so-called "market opening measures" announced in December 1984, for the developing countries. These measures did not address the market opening measures requested by ASEAN and reiterated over the years of dialogue with Japan. The Ministers, therefore, strongly urged Japan to address directly and substantially the market access problem faced by ASEAN exports to the Japanese market. In the light of the above, the Ministers also agreed that a review be undertaken with respect to all dialogues, in particular, those pertaining to trade matters.
19. The Ministers reiterated ASEAN's earlier concern over the new US Shipping Act 1984 that classified ASEAN carriers as "controlled-carriers" despite earlier assurances made by the United States. The Ministers also expressed concern that the new US Shipping Act 1984 does not contain provisions that will enable ASEAN Shippers' Councils to negotiate or be consulted by the US based shipping conferences on General Freight Rate Increases. The Ministers agreed that this matter be pursued further with the US Administration.
20. The Ministers expressed their concern over the inequitable treatment accorded to ASEAN in the US countervailing duty (CVD) investigations on textiles and garments despite ASEAN's small share of global US imports of these items. The Ministers also agreed that on question of accession to the GATT Code on Subsidies and Countervailing Duties, ASEAN countries should not be obliged to assume commitments that are inconsistent with their competitive and development needs.

21. These views were conveyed to USTR Ambassador William Brock at an informal meeting held on the afternoon of 8th February 1985 and it was decided that early consultations with the US be held to resolve these issues. Notwithstanding these concerns, the Ministers also agreed that it was desirable to actively explore new initiatives to increase trade between the ASEAN countries and the US.
22. The Ministers recognised the important role ASEAN, as a group of developing countries, has to play in world economic issues and the need to keep the developed countries mindful of the concerns of the developing countries. The Ministers, therefore, agreed to continue to intensify efforts at various international fora in order to attain the objectives for developing countries as a whole. In this connection, it was agreed that ASEAN submit its inputs to the forthcoming Bonn summit to be held in early May this year.
23. The delegations of Brunei Darussalam, Indonesia, the Philippines, Singapore and Thailand expressed appreciation to the Government and people of Malaysia for the warm hospitality extended to them and the excellent arrangements made for the Meeting.
24. The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.