

## 1988 JOINT PRESS RELEASE OF THE 20<sup>TH</sup> ASEAN ECONOMIC MINISTERS' MEETING

*Signed in Pattaya, Thailand on 17-19 October 1988*

1. The 20<sup>th</sup> Meeting of the ASEAN Economic Ministers was held in Pattaya, Thailand on 17-19 October 1988. The Meeting was opened by H.E. Major General Chatichai Choonhavan, the Prime Minister of Thailand.
2. The Meeting was attended by H.E. Pengiran Dato Seri Laila Jasa Dr. Ismail bin Pengiran Haji Damit, Minister of Development 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; and H.E. Dr. Arifin M. Siregar, Minister of Trade of Indonesia; H.E. Datin Paduka 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. Mr. Fulgencio Factoran, Jr., Secretary of Environment and Natural Resources 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. Sub. Lt. Prapas Limpabandhu, Deputy Minister of Foreign Affairs of Thailand; H.E. Mr. Niphon Promphan, Deputy Minister of Finance of Thailand; and H.E. Mr. Phaitoon Kaeothong, Deputy Minister of Industry of Thailand; and their respective delegations. Also present in the Meeting were H.E. Mr. Roderick Yong, Secretary General of the ASEAN Secretariat, Mr. Aurelio Periquet, President of the ASEAN - CCI, and other representatives of the ASEAN - CCI.
3. H.E. Dr. Subin Pinkayan, Leader of the Thai Delegation, and H.E. Pengiran Dato Seri Laila Jasa Dr. Ismail bin Pengiran Haji Damit, Leader of the Brunei Darussalam Delegation, were elected Chairman and Vice-Chairman of the Meeting, respectively.
4. The Prime Minister of Thailand, H.E. Major General Chatichai Choonhavan, in his address at the opening ceremony, reaffirmed the highest importance that his Government attached to the promotion of ASEAN cooperation, both among the member countries and with the world at large. He emphasized that such cooperation is the cornerstone of Thailand's foreign policy. The Prime Minister also noted that prospects for such cooperation had brightened considerably with the impetus given by the decisions taken at the Manila Summit. While noting that progress had been made in the fields of trade and industrial cooperation, he emphasized that much more needed to be done if ASEAN were to fully utilize and fully benefit from the vast potentials of regional economic cooperation. In this respect, he stressed the vital and indispensable role that closer participation by the private sector would have to play in strengthening ASEAN economic cooperation.
5. The Ministers reviewed the implementation of the Third ASEAN Summit Decisions on economic cooperation and were satisfied with the progress made.
6. The Ministers noted the progress made with regard to the use of ASEAN member countries' currencies in intra-ASEAN trade and endorsed the proposed study on their use in intra-ASEAN investments.

7. The Ministers noted further development of the ASEAN Reinsurance Corporation and endorsed the change of the initial authorized capital of ASEAN Reinsurance Corporation from S\$ 20 million to S\$ 30 million.
8. The Ministers noted that several food, agriculture and forestry project proposals have been presented to various organizations and countries for funding. It was felt that these projects would enhance the efficient utilization of manpower in ASEAN member countries.
9. The Ministers noted that the ASEAN Experts Group on New and Renewable Sources of Energy (NRSE) will undertake the task of establishing cooperation in the commercial application of NRSE technologies at regional level.
10. With regard to ASEAN industrial cooperation, the Ministers agreed that a 90% margin of preference (MOP) should apply to all ASEAN Industrial Joint Ventures (AIJVs) previously enjoying a 75% margin of preference.
11. The Ministers approved and signed a Memorandum of Understanding on the Brand-to-Brand Complementation in Automotive Industry. This scheme, which will involve complementary trade exchanges of specified parts/components of specific vehicle models, is expected to contribute greatly to the strengthening and broadening of the base of industrial sectors of member countries as well as the expansion of intra-ASEAN trade.
12. The Ministers also noted that all member countries have ratified the Agreement on the Recognition of Domestic Driving Licenses issued by member countries. To enhance greater efficiency in ASEAN trade, considerations are also being given to a proposal on the introduction of multimodal transport and new information technology.
13. The Ministers noted that by the end of October 1988 ASEAN member countries will be implementing their 1988 Preferential Trading Arrangement (PTA) programmes.
14. The Ministers further noted that upon the completion of the 1988 programmes, a total of 1,679 items from the exclusion lists will be introduced into the PTA with a minimum MOP of 25% from the exclusion lists. This will bring the total PTA items to 14,462. For existing PTA items, a total of 3,261 items will be enjoying further deepening of MOPs.
15. The Ministers approved the 1989 PTA programmes. A total of 335 items from the exclusion lists will be introduced into the PTA. Another 2,522 existing PTA items will enjoy further deepening of MOPs.
16. The Ministers noted that member countries have exchanged information on non-tariff measures (NTMs) and that preliminary negotiations for rollback of NTMs are under way.
17. The Ministers noted that the Agreement on the Establishment of the ASEAN Tourism and Information Centre (ATIC) was signed in Kuala Lumpur on 26 September 1988. The ATIC will become operational as soon as all member countries have ratified the Agreement.
18. The Ministers noted that, in line with the Third ASEAN Summit decision, ASEAN consultations and activities with dialogue partners have been geared towards issues related to market access, trade and tourism promotion, investment, flow of resources, industrial development,

transfer of technology, human resources development and support for ASEAN's positions in international fora.

19. With regard to the ASEAN-EC industrial cooperation, the Ministers welcomed the EC's interest and its initiatives so far in this programme, particularly in the recent establishment of the "Cheysson Facility" as a mechanism to attract more European investment and the promotion of future industrial joint ventures. The Ministers expressed the hope that in the on-going process of integrating the EC markets, the EC should ensure that such process leads to an expansion, and not a contraction, of trade with ASEAN member countries.
20. With regard to ASEAN-Japan Cooperation, the Ministers agreed to urge Japan to take steps to promote imports from ASEAN of manufactured and semi-manufactured goods as well as agricultural and tropical products. The Ministers further agreed to ask Japan to invest more in the production of industrial goods, utilizing indigenous resources and manpower to ensure more transfer of appropriate technology to ASEAN. On the ASEAN-Japan Development Fund, the Ministers noted the progress to date and decided that they would monitor it every time they met.
21. On ASEAN-US Dialogue, the Ministers noted that a development cooperation programme is being worked out at the experts level covering trade, investment, science and technology and human resources development. The Ministers also noted that the ASEAN-US Initiative (AUI) study has been launched.
22. The Ministers expressed the hope that the Mid-Term Review Meeting in Montreal on 5-9 December 1988 will achieve progress in all areas of negotiations, especially in areas of particular interest to ASEAN such as Tropical Products, Agriculture, Dispute Settlement, Functioning of the GATT System, Tariffs, and Non-Tariff Measures. They agreed to coordinate ASEAN's efforts on issues in the Uruguay Round.
23. The Ministers reaffirmed the importance that ASEAN attaches to the issue of Tropical Products. Failure to achieve tangible and concrete results on Tropical Products at the Mid-Term Review Meeting would jeopardise the credibility of the Uruguay Round. The Ministers were concerned that at this stage, the prospects for achieving such results are not encouraging. The Ministers therefore urged that in the remaining days before the Montreal Meeting those developed countries which have not made their specific offers should do so as soon as possible, and those that have made their offers should improve on them. ASEAN remains committed to ensuring progress in the negotiations. It is willing to make appropriate contributions commensurate with what each member country can afford. The nature and extent of the contributions would have to be on the basis of individual member country's trade, financial and development needs. ASEAN believes that unilateral trade liberalization measures taken by member countries should be given credits in the negotiations.
24. On Agriculture, a lack of credible result at the Montreal Meeting could have serious implications on the overall process of the Uruguay Round, and lead to further deterioration in the world agricultural trade situation. The Ministers reiterate that ASEAN should continue to work actively within the Cairns Group. The Ministers agreed that the Cairns Group's proposal will contribute to the resolution of the differences between the major trading partners, and that

it will form a basis for a negotiating framework to be adopted at the Montreal Meeting and for future negotiations on the subject.

25. The Ministers agreed to enhance cooperation on commodities. In this respect, they agreed to undertake joint ASEAN approaches on the anti-tropical timber campaign, the anti-tropical vegetable oil campaign, the farm subsidies of the developed countries, and the Common Fund for Commodities. They also noted that an Ad Hoc Expert Group on Commodities has been established to draw up a programme of action and to work on the establishment of an ASEAN Data Bank on Commodities.
26. The Ministers endorsed the candidacy of Ambassador Budi Hartantyo of Indonesia to the post of the Managing Director of the Common Fund.
27. The Ministers held a very fruitful and cordial exchange of views with representatives of the ASEAN Chamber of Commerce and Industry with a view to establishing better understanding and a closer working relationship between the ASEAN public and private sectors. It was agreed that such consultation should be continued.
28. The Ministers agreed to hold the 21<sup>st</sup> AEM Meeting in Bandar Seri Begawan in September 1989.
29. The delegations of Brunei Darussalam, Indonesia, Malaysia, Philippines and Singapore expressed appreciation to the Government and people of Thailand 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 its most valuable assistance.