

1995 JOINT PRESS STATEMENT OF THE 27TH ASEAN ECONOMIC MINISTERS' MEETING

Issued in Bandar Seri Begawan, Brunei Darussalam on 7-8 September 1995

1. The Twenty-Seventh Meeting of the ASEAN Economic Ministers was held in Bandar Seri Begawan, Brunei Darussalam on 7-8 September 1995. The Meeting, was preceded by a Preparatory Meeting of the ASEAN Senior Economic Officials Meeting (SEOM) on 4-5 September 1995 and the AFTA Ministerial Council Meeting, on 6 September 1995.
2. The Meeting was attended by H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam; H.E. Mr Hartarto , Coordinating Minister for Industry and Trade, Indonesia; H.E. Professor Dr. S. B. Joedono, Minister of Trade, Indonesia; H.E. Mr. Tungky Ariwibowo, Minister of Industry, Indonesia; H.E. Dato' Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia; H.E. Mr. Rizalino S. Navarro, Secretary of Trade and Industry, Philippines; H.E. Dr. Cielito F. Habito, Secretary of Socio-Economic Planning, Philippines; H.E. Mr. Cesar 8. Bautista, Undersecretary of Trade and Industry, Philippines; H.E. Mr. Yeo Cheow Tong, Minister for Trade and Industry, Singapore; H.E. Dr. Amnuay Viravan, Deputy Prime Minister, Thailand; H.E. Dr. Surakiart Sathirathai, Minister of Finance, Thailand; H.E. Mr. Pairote Suwanchavee, Deputy Minister of Commerce, Thailand; H.E. Mr. Anusorn Wongwan, Deputy Minister of Industry, Thailand; H.E. Mr. Le Van Triet, Minister of Trade, Viet Nam; H.E. Mr. Mai Van Dau, Vice Minister of Trade, Viet Nam; H.E. Dato' Ajit Singh, Secretary-General of ASEAN; and their respective delegations.
3. The Meeting was formally opened by His Majesty the Sultan of Brunei Darussalam. In his Opening Address, His Majesty called for greater concerted effort among the ASEAN Member Countries to further enhance ASEAN's competitive edge for meeting the challenges of the rapidly changing and increasingly competitive global economic environment. His Majesty stressed that ASEAN needs to further enhance its economic cooperation particularly through the mechanism and expeditious realization of the ASEAN Free Trade Area. His Majesty also stressed that the scope of ASEAN economic cooperation should be extended to include important areas, such as promotion of investment, services and intellectual property.
4. His Majesty stressed that AFTA must move faster than other Free Trade Areas and requested the Ministers to examine how the proposal he made at the ASEAN Ministerial Meeting (AMM) in Brunei Darussalam last month, on advancing the time frame for the realisation of AFTA by the year 2000 can be achieved.
5. His Majesty emphasized that ASEAN's position in the world economy has improved significantly and coupled with the economic dynamism and a sizeable population of at least 420 million people in the region, ASEAN will be a base large enough for attracting both indigenous ASEAN and foreign investors.
6. His Majesty underscored that trade liberalisation cannot be pursued successfully without the active participation of the private sector which plays a crucial role in transferring capital, technology and managerial know-how throughout the ASEAN region. In this regard, His Majesty

made reference to the active and significant role of the private sector in the rapid economic development of the various sub- regional growth arrangements such as BIMP-EAGA, SIJORI and IMT-GT. In addition, His Majesty also mentioned that the various sub-regional growth areas are complementary element and will reinforce the wider economic cooperation programmes undertaken on an ASEAN-wide basis

7. His Majesty also stressed that ASEAN as a dynamic grouping should work closely and more coherently and should assume a more pro-active role in international and regional economic fora, such as WTO and APEC. In this regard, ASEAN is committed to the concept of "open regionalism" and ASEAN should continue to explore the possibility of mutually beneficial linkages with other regional trade arrangements.
8. In the Meeting of the ASEAN Economic Ministers, the Ministers were pleased to note the significant progress made in the implementation of the CEPT Scheme for AFTA. Taking full cognizance of the benefits of realising AFTA as early as possible and the domestic issues of individual ASEAN Member Countries, the Meeting committed itself fully to the realisation of AFTA by 1 January 2003. Bearing in mind His Majesty's call for AFTA process to move faster than other Free trade Areas, Member Countries are requested to expand the number of items with tariff rates reduced to 0-5 % by, the year 2000 and maximise the number of items to be reduced to 0% tariff level by the year 2000. This would then pave the way for a more liberal AFTA even before the target date of 1 January 2003.
9. The Ministers also discussed other trade facilitation activities for supporting the expeditious realisation of AFTA. In this connection, several ASEAN Plans of Action such as the ASEAN Plan of Action in Transport and Communications, the ASEAN Plan of Action on SME Development and ASEAN Plan of Action on Infrastructure Development have been formulated to support the AFTA process. New trade-related activities to expedite the AFTA process and areas for enhancing greater economic cooperation in preparation for the Fifth ASEAN Summit, in December this year, were also discussed by the Ministers.
10. The Ministers noted the draft Plan of Action for the Promotion of Foreign Direct Investment and Intra-ASEAN Investment and advised that the following areas be taken into consideration in finalizing the Action Plan:
 - a. areas for liberalisation of investment policies;
 - b. areas and measures to promote greater intra-ASEAN investment;
 - c. industrial policies of Member Countries.
11. The Ministers accepted in principle the ASEAN Framework Agreement on Services and agreed that it will be signed by the AEM and that the rounds on negotiations on specific commitment will be launched at the Fifth Summit in Bangkok.
12. The Chairman welcomed Viet Nam's participation in this Meeting for the first time. Viet Nam has submitted an indicative list of products for immediate inclusion, where tariffs will be reduced from 1 January 1996. The Ministers agreed to accord some flexibility to Viet Nam in implementing the

CEPT Scheme. To this end, Viet Nam will complete her implementation of the CEPT Scheme by 1 January 2006.

13. In facilitating the implementation of the CEPT Scheme for AFTA and enhancing greater economic cooperation, the Ministers agreed to the establishment of a specific Dispute Settlement Mechanism (DSM) for CEPT- AFTA and an umbrella DSM which will covers disputes arising from all ASEAN agreements on economic cooperation.
14. On ASEAN industrial cooperation schemes, the Ministers agreed that until a new ASEAN industrial cooperation scheme is adopted and implemented, all new applications for the AIJV and BBC Schemes can be processed and approved under the existing Schemes. All approved projects would continue to enjoy the rightful privileges.
15. The Ministers were updated on the preparations being made by Singapore for the First WTO Ministerial Review Conference to be held at the end of 1996. The Meeting requested the SEOM and the ASEAN Geneva Committee to liaise closely on the various issues which are of interest to ASEAN such as trade and investment liberalisation, labour and social issue, competition policy and services. The Meeting, also agreed to support Viet Nam's admission to the WTO.
16. The Ministers discussed the progress of consultations on East Asia Economic Caucus (EAEC) and reiterated their support for further efforts towards its early realisation.
17. The Ministers reviewed the developments in APEC particularly the preparations for the APEC Economies Leaders' Meeting in Osaka in November 1995. The Meeting also agreed that the membership of Viet Nam in APEC should be strongly supported as soon as the moratorium on new membership has ended.
18. The Ministers noted the outcome of the Seventeenth Meeting of the ASEAN Ministers on Agriculture and Forestry and expressed concern over the EU Council Directive on Hygiene of Foodstuffs, which could affect ASEAN's exports of vegetable oil of edible use, and the EU classification of Carrageenan as food additive, which is being opposed by certain European countries. The Ministers further agreed to transmit letters to the EU to express ASEAN's concern on these.
19. The Ministers took note of the preparations for the Asia-Europe Meeting (ASEM) and agreed that economic issues should be placed on the agenda of ASEM and to coordinate closely with China, Japan and Republic of Korea (ROK) the Asian position on the various economic issues.
20. The representatives of the various ASEAN private sectors had a consultation with the Ministers to explore greater private sector participation in the ASEAN process for enhancing economic cooperation and development in the region. The Ministers welcomed the restructuring of the ASEAN-CCI for more effective functioning, and organisation of the private sector which will include, among others, the establishment of a permanent secretariat at the ASEAN Secretariat office in Jakarta.

21. Recognising the significant role of the private sector in economic development, the Ministers urged the ASEAN private sector to take advantage of the opportunities offered in existing and new cooperation schemes. The Ministers also requested the ASEAN-CCI to come up with firm proposals to enhance ASEAN industrial cooperation before their special meeting in Osaka in November 1995.