

1999 CHAIRMAN'S PRESS STATEMENT ON ASEAN 3RD INFORMAL SUMMIT

Adopted in Manila, Philippines on 28 November 1999

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1. The 3rd informal Summit of the ASEAN Heads of State/Government was held in Manila on 28 November 1999. The meeting was chaired by H.E. President Joseph Ejercito Estrada of the Republic of the Philippines.
2. The Summit was attended by H.M. Sultan Haji Hassanal Bolkiah, Sultan of Brunei Darussalam; H.E. Hun Sen, Prime Minister of the Kingdom of Cambodia; H.E. Abdurrahman Wahid, President of the Republic of Indonesia; H.E. Sisavath Keobounphanh, Prime Minister of the Lao People's Democratic Republic; H.E. Senior General Than Shwe, Chairman of the State Peace and Development Council and Prime Minister of the Union of Myanmar; H.E. Goh Chok Tong, Prime Minister of Singapore, H.E. Chuan Leekpai, Prime Minister of Thailand; H.E. Phan Van Khai, Prime Minister of the Socialist Republic of Vietnam; and, the Honorable Datuk Seri Syed Hamid Albar of Malaysia, Special Representative of the Prime Minister of Malaysia.
3. In his welcome statement, President Estrada expressed confidence in ASEAN's ability to achieve its Vision 2020 goals of peace, stability, and prosperity for the ten countries of Southeast Asia. He called upon the member countries to learn and practice the habits of openness, just as they have mastered the ways of cooperation, to bring the ASEAN vision to reality. He called for an intensification of dialogue and cooperation between ASEAN and the countries of Northeast Asia to move the whole East Asian region to higher levels of integration and partnership.
4. The highlights of the exchange of views and the agreements during the Informal Summit are as follows:

CURRENT SECURITY ENVIRONMENT

5. The HOS/G had a useful exchange of views on current political and security developments in the region. They recognized how the evolving regional security environment during the 1990s has given rise to new forms of security challenges for ASEAN. They agreed that ASEAN should make its long-held principles and approaches more relevant to meet these new security challenges.
6. In this regard, they noted the results of the Informal retreat of the ASEAN Foreign Ministers held in Singapore in July 1,999, particularly their frank and candid discussions on the need for ASEAN to adapt to the challenges posed by its expansion, human rights, governance, and the environment. They called on the Foreign Ministers to sustain this constructive effort, guided by the larger interest of ASEAN mutual solidarity, unity, and cohesion.
7. President Abdurrahman Wahid of Indonesia briefed the Meeting on the latest developments in Aceh, Indonesia. In this connection, the HOS/G reiterated their full respect for the sovereignty and territorial integrity of the Republic of Indonesia. They expressed their support for the efforts of President Wahid toward a peaceful settlement of the situation in Aceh.
8. The HOS/G were of the view that ASEAN made a significant contribution to the progress of multilateral regional cooperation to promote security through the ASEAN Regional Forum. They

agreed to complement ARF initiatives by engaging neighboring countries in East Asia to more regular summit dialogues on political and security issues.

9. The HOS/G agreed to the proposal to set up an ASEAN Troika at the ministerial level in order that ASEAN could address more effectively and cooperate more closely on issues affecting peace and stability of the region.
10. On the South China Sea, the HOS/G reaffirmed the need for a regional Code of Conduct in the South China Sea. They noted the report of the Ministers that ASEAN now has a draft regional code of conduct, and further consultations will be made on the draft with a view to advancing the process on the adoption of the Code.

ECONOMIC RESURGENCE, FINANCIAL ISSUES, AND FUTURE COMPETITIVENESS

11. The HOS/G noted the improved regional economic outlook for ASEAN this year. In welcoming this development, however, they agreed that greater vigilance in the exercise of joint efforts in various areas of common interest in the Financial and economic sector is necessary to guard against complacency and the risks that could affect the economic recovery in Asia. As such, the HOS/G endeavored to build upon its efforts in enhancing ASEAN business environments and to promote transparency, as well as corporate and industrial governance reforms.
12. The HOS/G welcomed the successful implementation of the Bold Measures adopted at the Sixth ASEAN Summit and the steady progress of work in ASEAN economic and financial cooperation, including trade facilitation and liberalization activities. In a landmark decision, the HOS/G committed to eliminate all import duties by 2010, ahead of the original schedule, for the six original members of ASEAN. They also agreed in principle to advance the schedule from 2018 to 2015 for the new members of ASEAN, but allowing some sensitive products to follow the original date of 2018. They noted that 90 per cent of the Inclusion List of the six original signatories to the CEPT Agreement would have tariffs of 0-5% by 1 January 2000. They looked forward to further progress in the implementation of a new round of negotiations in services for which a get of parameters was recently adopted as a guide to further liberalize trade in services in ASEAN. The Leaders agreed that AFTA should actively seek inter-regional alliance with other free trade areas.
13. The HOS/G were also pleased to note that the Framework Agreement on the ASEAN Investment Area has entered into force following the ratification by all ASEAN member countries of the agreement. They also welcomed the efforts which advanced work in the ASEAN Industrial Cooperation Scheme AICO and the new initiatives that will allow for the participation of SMEs in the AICO Scheme.
14. HOS/G noted the importance of domestic and foreign investment flows in sustaining the region's economic recovery. To mobilise surplus savings and strengthen financial intermediation in ASEAN, the HOS/G tasked their Finance Ministers to develop active and deep capital markets, especially bond markets, throughout the region. This would also reduce the vulnerability of ASEAN to external shocks.

15. The HSO/G were pleased that the 1999 ASEAN Investment Report has been published to provide the public with useful analyses of the latest FDI trends and developments in ASEAN. This is one of ASEAN's deliverables for 1999, emphasizing ASEAN's resolve to improve economic transparency in the region. Transparency is one of the core elements of the ASEAN Framework Agreement on the ASEAN Investment Area and the ASEAN Agreement for the Promotion and Protection of Investment.
16. The HOS/G are pleased with the launching of the e-ASEAN as a new initiative during the 31st ASEAN Economic Ministers Meeting in Singapore in October 1999. This decision will help ASEAN improve its competitiveness in the global market. The HOS/G noted that Mr. Roberto R. Romulo had been designated to lead the high-level Public-Private Task Force on e-ASEAN which will be developing an action plan to implement the above-cited recommendations and to foster an active collaboration between the private and public sectors with the objective of evolving an ASEAN e-space. They also agreed to the establishment of free trade area (FTA) for goods, services, and investments for the info-com industries under a new e-ASEAN agreement.
17. The HOS/G agreed that ASEAN should increase connectivity each other. They noted that ASEAN's HRD efforts could be maximized through initiatives such as distance learning over the Internet, sharing of on-line library resources, and the ASEAN Education Network.
18. The HOS/G welcomed the developments in the implementation of the various finance programmes listed in the Hanoi Plan of Action. The progressive character of the discussions on the Reform of the International Financial Architecture has been duly noted by the HOS/G as positive developments that would lead up to enhancing efficiency and stability in financial markets and in promoting global economic activity.
19. The HOS/G recognised the launching of the ASEAN Surveillance Process (ASP) in March of this year as a major milestone in ASEAN financial and monetary cooperation. They likewise noted progress in the conduct of the peer review process of the economic situation in ASEAN and welcomed the support extended by the Asian Development Bank (ADB) and the United Nations Development Programme to the ASP. The HOS/G directed their respective Ministers to explore further options to strengthen regional support mechanisms.
20. The participation of the private sector was collectively acknowledged by the HOS/G as a vital element in crisis prevention and crisis resolution. As such, they encouraged private sector inputs and contributions to the various collective efforts of ASEAN. They also called for the expansion of initiatives that will further promote joint ventures and linkages among small and medium enterprises (SMEs) and large-scale enterprises (LSEs).

SOCIAL ISSUES INCLUDING SOCIAL SAFETY NETS

21. The HOS/G were pleased with the progress of work done in the implementation of ASEAN's Social Safety Net Programmes. They expressed appreciation for the support of some of ASEAN's Dialogue Partners and international organizations such as ADB, World Bank, and the IMF to these Programmes and other social development initiatives. They noted the plan to adopt the ASEAN Joint Declaration on Socially Cohesive and Caring Societies at the ASEAN Ministerial Meeting in July 2000 in Bangkok.
22. The HOS/G also welcomed the various collaborative work being undertaken by various ASEAN fora with government organizations, non-government organizations, and international organizations in the conduct of projects that will address the impact of the crisis and alleviate poverty. They likewise stressed the need to respond to other social issues affecting the elderly,

women, children, and other disadvantaged sectors, including general concerns on employment, public health, and education.

23. Given these positive developments, they instructed their Ministers to explore other initiatives that would allow for greater multilateral and international support to and participation in the programmes, taking into consideration the mutual interests of ASEAN and international organizations in these areas of concern. One such initiative is in the area of HRD: a tie-up between labor-exporting and labor-importing countries to create a skills training center, in partnership with the private sector.
24. They acknowledged the effort of the ASEAN Secretariat in promoting these initiatives among ASEAN's Dialogue partners and international organizations and called for sustained effort in this regard.
25. Acknowledging the serious impact of transnational crime on peace, prosperity, the well-being of the people, and progress of ASEAN, the HOS/G committed to move forward and intensify individual and collective efforts to address transnational crime, such as drug trafficking. They noted the importance of the early establishment of the ASEAN Center for Combating Transnational Crime (ACTC) and the desirability of generating support from other international organizations and countries, including ASEAN's Dialogue Partners.
26. The HOS/G affirmed their common commitment to improving the standards of living of the people as the primary objective of all the reforms and the financial and economic cooperation activities being pursued within the ASEAN processes and framework.

THE FUTURE DIRECTION OF ASEAN

27. The HOS/G view ASEAN as progressing beyond AFTA and moving towards higher levels of economic integration as it faces the challenges of the new millennium.
28. They directed their Ministers to advance the work in this area, and report at the Informal Meeting in Singapore next year.
29. The HOS/G emphasized the importance of efforts to prepare ASEAN for the challenges of globalization. They directed the Ministers, with the assistance of the ASEAN Secretariat, to enhance the process of cross-sectoral interaction to develop greater synergy.
30. To promote extra-ASEAN relations, the HOS/G likewise directed the Ministers to identify initiatives with other multilateral organizations, regional groupings, and international organizations.
31. The HOS/G noted the convening of the Eminent Persons Group last June and welcomed its discussions on human security, regional identity and resilience, and ASEAN outreach.
32. The HOS/G welcomed the Philippine initiative to strengthen cooperation and consultation among the countries in East Asia to enhance peace, stability, and prosperity in the region. They agreed on its incorporation into the work of the East Asia Vision Group (EAVG), which shall present its report on East Asian cooperation in the 21st century at the 7th ASEAN Summit in Brunei in 2001.

INTERNATIONAL ECONOMIC ISSUES

33. The HOS/G looked forward to the successful conclusion of the Third WTO Ministerial Conference. They expressed optimism that this Meeting would demonstrate the WTO's relevance as a vehicle for a more open, freer, and fairer global trade and investment regime. They called for the full and effective implementation of the Uruguay Round Agreements and expressed their support to the launch of a new Round of multilateral trade negotiations.
34. The HOS/G agreed that negotiations on agriculture should aim at continuing the liberalization process of world agricultural trade, including increased market access, elimination of export subsidies and trade-distorting domestic support, taking into account the development needs of developing countries, including non-trade concerns and food security.
35. The HOS/G called for the effective implementation of the special and differential treatment for developing countries. They also underscored the importance of capacity building and technical assistance as essential elements to facilitate the full participation of these countries in the WTO.
36. The HOS/G stressed the need for a more rapid WTO accession process for Cambodia, Laos, and Vietnam. The HOS/G welcomed China's impending admission into the WTO.
37. The HOS/G noted the contributions of APEC in strengthening regional economic cooperation and welcomed the successful outcomes of the Auckland meetings. They recognized the firm direction and focus that APEC has given to economic and technical cooperation towards strengthening capacity building efforts in the region.
38. They expressed full support for the APEC chairmanship of Brunei Darussalam next year and of Thailand in 2003.
39. The HOS/G recognized the importance of strengthening collaboration with other organizations and funding institutions on health, human resources development, education, and poverty alleviation.