

2002 PRESS STATEMENT BY THE CHAIRMAN OF THE 8TH ASEAN SUMMIT, THE 6TH ASEAN + 3 SUMMIT AND THE ASEAN-CHINA SUMMIT

Adopted in Phnom Penh, Cambodia on 4 November 2002

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1. The ASEAN leaders today held the 8th ASEAN Summit in Phnom Penh followed by the 6th ASEAN + 3 Summit with China, Japan and the Republic of Korea and a separate ASEAN-China Summit. It was the first time that Cambodia had the honour and pleasure of hosting and chairing these summits.
2. The ASEAN Summit focused on issues of grave concern to all ASEAN members including political and economic developments, particularly recent uncertainties following terrorist attacks and the ongoing debate on Iraq. In the face of these development, we reaffirmed our commitment to strengthening solidarity and accelerating the implementation of our Initiative for ASEAN Integration (IAI).
3. At the ASEAN + 3 and ASEAN-China Summits, we strengthened our partnership with China, Japan and the Republic of Korea in line with our strategy to reinforce ASEAN's competitiveness through mutually-beneficial trade and investment.

PHNOM PENH AGENDA: TOWARDS AN ASEAN COMMUNITY

4. At the opening of the ASEAN Summit, the chair outlined the Phnom Penh Agenda Towards a Community of Southeast Asian Nations. The initiative has four themes:
 - Collaboration with the Greater Mekong Subregion program to accelerate ASEAN integration;
 - ASEAN as a single tourist destination;
 - ASEAN solidarity for peace and security, especially in the fight against terrorism; and
 - Bold steps in sustainable natural resources management, including ratification of the Kyoto Protocol by all ASEAN members. Leaders considered the idea of an ASEAN Economic Community as an end goal for the Roadmap for the Integration of ASEAN and Vision 2020 which ministers could study.
5. At our working dinner last night, we adopted the Declaration on Terrorism by the 8th ASEAN Summit which condemned the recent heinous acts of terrorism. Determined to build on measures we announced last year, we resolved to intensify our efforts to prevent, counter and suppress terrorist activities in the region. At the same time, we urged the international community to support our efforts. We welcomed Thailand's decision to accede to the Agreement on Information Exchange and Establishment of Communications Procedures between Indonesia, Malaysia and the Philippines in May to which Cambodia acceded in July.
6. We are deeply concerned about the situation in the Middle East. With the assistance of the international community, a peaceful solution to end the worsening cycle of violence in Israel must be formulated. ASEAN leaders agreed that the situation in Iraq is a matter of grave concern for the international community. The leaders noted the potentially destabilizing

effects of a war on the global economy and its impact on the region. They expressed ASEAN's support for the efforts of the United Nations to eliminate all weapons of mass destruction in Iraq and called upon the government of Iraq to fully comply with the relevant United Nations Security Council (UNSC) resolutions. The leaders reaffirmed their appreciation and support for the various mechanisms to address the Iraqi situation, in particular the primary role of the UN and the UNSC in deciding on appropriate enforcement action. They requested their foreign ministers to remain seized with the matter and to meet immediately, if necessary, to assess and discuss measures to deal with the situation.

7. Resolving transnational issues such as disease and the trafficking of humans, drugs and weapons also requires international cooperation and unified action. In this regard, leaders accepted an ASEAN Work Programme adopted by the Senior Officials Meeting on Transnational Crime in May.
8. ASEAN members such as Cambodia have achieved some success in checking the spread of HIV-AIDS. Leaders agreed to pursue the battle against malaria and tuberculosis in addition to other deadly diseases, and pledged to allocate more resources to deal with prevention and relief.

ENHANCING ASEAN COMPETITIVENESS

9. Sustained socio-economic development in the face of rapid globalization is the most important challenge facing ASEAN. Our strategy to address this challenge is regional integration. ASEAN must seize and build upon opportunities for closer cooperation and mutual benefits with our partners, especially through enhanced trade and investment links and bold, unified strategies for growth.
10. We acknowledged the continued sluggishness of the world economy. We stressed the importance of appropriate economic management and regional integration to strengthen national and regional competitiveness. As globalization intensifies, a fully integrated ASEAN will make Southeast Asia more competitive. In this regard, we stressed the importance of restoring economic confidence in ASEAN and thanked Thailand for agreeing to host a major event during the APEC Economic Leaders' Meeting in Bangkok (October 2003) to showcase ASEAN to the international community.
11. Following a presentation by McKinsey & Company, we commended an interim report of an ASEAN Competitiveness Study. The international management consultancy found that ASEAN integration efforts had significant potential to boost competitiveness. It supported initiatives underway and urged ASEAN to take concrete steps such as designating electronics and consumer goods as initial sectors for accelerated integration. Leaders look forward to McKinsey's final recommendations early next year. In the meantime, we tasked our economic ministers to seriously consider fast-track priority sectors and stronger ASEAN mechanism to monitor implementation. The leaders also agreed to strengthen the ASEAN Secretariat.

REALIZING ASEAN INTEGRATION

12. We agreed to intensify actions to ensure the integration of the broader Southeast Asian market. Faster integration will require actions on tariffs in schemes such as the ASEAN Integration System of Preferences allowing Cambodia, the Lao People's Democratic Republic, Myanmar and Viet Nam to gain tariff-free access to the more developed ASEAN markets by 2003, seven years ahead of the agreed target of 2010.

13. We stressed the importance of harmonized products and streamlining customs procedures. The liberalization of intra-ASEAN trade in services requires strengthening transport links, interconnecting telecommunications, increasing the use of information and communications technology and liberalizing investment within ASEAN. We welcomed Malaysia's offer to Cambodia to help build the missing link in the Singapore-Kunming Rail Link (SKRL).
14. ASEAN Secretary-General H.E. Rodolfo C. Severino, Jr. briefed leaders on specific efforts to realize the goal of an integrated ASEAN by 2020. These include efforts to address the emergence of a "two-tier ASEAN" by narrowing the development gap between the newer and older members. We approved an IAI Work Plan along with 51 projects in the areas of infrastructure, human resource development, information and communications technology and regional economic integration.
15. We reaffirmed the strategic value of developing the Greater Mekong Subregion and thanked the Asian Development Bank for supporting the GMS programme as well as the inaugural GMS Summit in Phnom Penh on November 3. We also encouraged accelerated implementation of the Brunei-Indonesia-Malaysia-Philippines East Asia Growth Area Initiative, known as BIMP-EAGA.
16. We discussed the significance of our inaugural summit with India on November 5 and acknowledged that the meeting will provide a unique opportunity to strengthen the relationship. We also discussed the idea of convening a summit with Australia, and agreed to study the issue further over the coming year.
17. To ensure the continued smooth running of the ASEAN Secretariat, we endorsed the appointment of H.E. Ong Keng Yong of Singapore as the incoming Secretary-General for 2003-2007. Leaders expressed their deep appreciation for the outstanding performance of Secretary-General Severino, whose five-year term expires at the end of this year. We also welcomed Indonesia's offer to host the Ninth ASEAN Summit meetings in Bali on October 7 & 8 next year.

ASEAN AS A SINGLE TOURISM DESTINATION

18. We signed the ASEAN Tourism Agreement reflecting the extremely high priority placed on tourism development. The agreement will help create favourable industry conditions aimed at achieving ASEAN's vision for a free flow of tourism services before 2020. We pledged to work hard to promote the ASEAN region as a single tourism destination through actions such as facilitating intra-ASEAN travel, liberalizing passenger transport, attracting investment and ensuring the protection of ASEAN's cultural and natural heritage.
19. We expressed deep concern regarding unnecessarily negative travel advisories which have adversely affected tourism in the region. We call on all nations to refrain from issuing such advisories unless supported by reliable intelligence and analysis.

ADVANCING EAST ASIA COOPERATION

20. We reaffirmed our enhanced partnership with China, Japan and the Republic of Korea and particularly welcomed their support for the IAI Work Plan and projects aimed at accelerating the integration of ASEAN's newer members. The ASEAN + 3 process has matured and expanded to include regional political and security issues such as the fight against terrorism and transnational crime. We welcomed the proposal of China to convene a ministerial meeting on transnational crime in the near future. The leaders expressed willingness to

explore the phased evolution of the ASEAN + 3 summit into an East Asian summit. In addition to supporting ASEAN initiatives, the three countries have been helping integration through their own efforts, notably Japan's Initiative for Development in East Asia (IDEA), the East Asia Vision Group and the East Asia Study Group initiated by the Republic of Korea and the Framework Agreement on ASEAN-China Economic Cooperation. We tasked our economic ministers to study and formulate options on the gradual formation of an East Asia Free Trade Area and report the results to us at the next summit.

21. We thanked H.E. Prime Minister Junichiro Koizumi of Japan for the IDEA programme. We confirmed our commitment to, "act together, advance together" in the areas of economic infrastructure, human resource development, institutional capacity-building of both the public and private sectors, and making conditions favourable for trade and investment.
22. We received the Final Report of the East Asia Study Group from H.E. Prime Minister Kim Suk-Soo of the Republic of Korea. The group identified 17 concrete short-term measures and nine medium-to-long-term measures to move East Asian cooperation significantly forward. Leaders agreed with the Republic of Korea's vision for ASEAN + 3 summits to evolve in the long term into East Asian summits and eventually an East Asian Free Trade Area.
23. We reiterated our continued support for the peaceful reunification of Korea and the spirit of the 15 June 2000 North-South Joint Declaration. We welcomed the Inter-Korea dialogue and normalization talks between Japan and the Democratic People's Republic of Korea (DPRK). We also reiterated our commitment to the nuclear non-proliferation regime. In this regard, we called for a nuclear weapons-free Korean peninsula, as envisaged by the two Korea's agreements to this effect and the Agreed Framework of 1994 which will contribute to the peace and stability of the peninsula and the region as a whole. In calling upon the DPRK to visibly honour its commitment to give up nuclear weapons programmes, we reaffirmed our commitment to ensure a peaceful resolution of this issue.
24. China, Japan and the Republic of Korea expressed their support for the early inclusion of Cambodia, the Lao People's Democratic Republic and Myanmar in the Asia-Europe Meeting (ASEM) and look forward to closer cooperation with Europe at the next ASEM Summit in Vietnam in 2004.

DEEPENING COOPERATION BETWEEN ASEAN AND CHINA

25. The ASEAN leaders met separately with H.E. Premier Zhu Rongji of China. During the ASEAN-China Summit, we acknowledged the important and growing role of China in regional and world affairs. Premier Zhu outlined China's vision for strengthened ties with ASEAN, emphasizing the goal of establishing an ASEAN-China Free Trade Area within the next decade.
26. The ASEAN and Chinese leaders signed the Framework Agreement on ASEAN-China Economic Cooperation which will serve as the fulcrum for establishing the free-trade area by 2010 for the older ASEAN members and 2015 for the newer members with flexibility on sensitive commodities. We particularly thanked China for granting special and preferential tariff treatment to Cambodia, the Lao People's Democratic Republic and Myanmar. In this respect, we welcomed the exchange of notes between China and the three newest ASEAN members in Phnom Penh on November 3.
27. We reiterated ASEAN's invitation to China to participate in the accelerated implementation of sub-regional development cooperation arrangements in addition to the GMS such as BIMP-EAGA and the Malaysia-Indonesia-Singapore growth triangle.

28. The leaders also witnessed the signing of the Declaration on the Conduct of Parties in the South China Sea which provides for confidence-building activities between ASEAN and China. In addition, the two sides adopted the Joint Declaration of ASEAN and China on Cooperation in the Field of Non-Traditional Security Issues and tasked our ministers to expeditiously specify mechanisms for such cooperation. China expressed its interest to acceded to the Treaty of Amity and cooperation in Southeast Asia and stated its willingness to work with ASEAN to push for early accession to the Southeast Asia Nuclear Weapons-Free Zone (SEANFWZ). We also acknowledged the importance of the Memorandum of Understanding between the Ministry of Agriculture of the People's Republic of China and the ASEAN Secretariat on Agricultural Cooperation, signed in Phnom Penh on November 2.

29. Finally, we appreciate China's reduction of debt obligations of the less-developed ASEAN members and the launching of an information-technology training programme for ASEAN and welcomed the proposal to formulate an ASEAN-China cooperation in programmes in IT. China also confirmed its co-financing towards the completion of SKRL.