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Issued in Bandar Seri Begawan, Brunei Darussalam on 19 August 2013

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1. The 45th Meeting of the ASEAN Economic Ministers (AEM) was held on 19 August 2013 in Bandar Seri Begawan, Brunei Darussalam. The Hon. Pehin Dato Lim Jock Seng, Second Minister, Ministry of Foreign Affairs and Trade of Brunei Darussalam, chaired the meeting, which was preceded by a preparatory meeting of the Senior Economic Officials (prep-SEOM). The AEM also had joint meetings with the 27th ASEAN Free Trade Area (AFTA) Council and the
16th ASEAN Investment Area (AIA) Council.

# Economic Performance

1. The Ministers welcomed the continued robust economic performance and resilience of ASEAN in 2012. In particular, ASEAN economies as a whole grew by 5.7%, which is almost one percentage point higher than the region’s economic growth rate in 2011. The faster growth is noteworthy in a global environment of weaker growth performance overall. Once again, resilient domestic demand, including government-initiated investment and strong consumption demand, coupled with strong macroeconomic fundamentals and financial stability underpinned the region’s growth performance. With the global economy slowly recovering, the Ministers are confident that ASEAN would be able to sustain growth between 5.3% and 6% in 2013.
2. Reflecting the still weak global economy, the Ministers noted the slowdown in the growth of ASEAN’s merchandise trade to 3.6% in 2012, which grew from US$ 2.39 trillion in 2011 to
US$ 2.47 trillion in 2012. Intra-ASEAN trade remained stable at US$ 601 billion. China is now the top destination for ASEAN exports, followed by Japan, EU-28, and the United States.
3. On the other hand, the Ministers were pleased to note that ASEAN was able to maintain its level of foreign direct investment (FDI) at US$108.2 billion in 2012, when global FDI inflows significantly declined including inflows to most developing economies. The European Union (EU-28) remained the top source of FDI to ASEAN, accounting for approximately 22% of total inward FDI to ASEAN. Japan was the second largest source of FDI to ASEAN with a share of 19%, followed by the United States with a 6% share. Intra-ASEAN investment continued to grow and account for an increasing share, reaching US$20 billion in 2012 or around 18.5% of total inward FDI into ASEAN.
4. Although financial risks have abated and the global economy is beginning to recover, the Ministers noted that global growth projections have recently been adjusted downward for 2013 because of slower growth in several key emerging market economies and a more protracted recession in the Euro area. To sustain ASEAN’s growth momentum, they agreed to maintain macroeconomic and financial stability, address capacity and supply-side constraints, and continue basic structural reforms such as streamlining regulations, trade and foreign investment liberalization and facilitation, and investment in infrastructure and human capital. The Ministers also reaffirmed the importance of deeper and broader ASEAN economic integration in further boosting the region’s growth prospects.
5. The Ministers also noted that nominal GDP for Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) in 2012 increased by 5.5% from 2011 to US$ 219.5 billion, which accounts for
9.5% of ASEAN’s nominal GDP. The Ministers also noted that FDI to CLMV countries reached US$ 10.2 billion in 2012, which accounts for 9.5% of total FDI into ASEAN.
6. While ASEAN looks to continue making significant progress in all aspects of integration and community building, specific attention is required in order to ensure that the opportunity to benefit from regional economic integration are equally shared among ASEAN Member States. The different levels of development among Member States requires a deepening and broadening of integration as well as capacity building initiatives to address the development gap to accelerate economic integration of all the Member States.

# Implementation of the ASEAN Economic Community (AEC) Blueprint

1. The Ministers noted the small improvement in the overall implementation rate of the ASEAN Economic Community (AEC) Blueprint, which is at 79.4% as of July 2013. They reaffirmed their commitment to enhanced implementation of in-country measures in order to realize regional measures and ensure the timely realization of AEC by 2015. In particular, the Ministers have recently endorsed the list of prioritized key deliverables for 2013 and 2015 identified by the different AEC sectoral bodies. This is in line with the Phnom Penh Agenda for
ASEAN Community Building issued by the Leaders in April 2012, which called for the identification of priority activities and concrete key measures to address the challenges and obstacles in realizing AEC.

# Trade in Goods

## Non-tariff measures (NTMs)

1. The Ministers noted several initiatives of ASEAN to address the matter of NTMs. These include i.e. the re-alignment of the ASEAN NTMs database with the new UNCTAD classification, the establishment of an interagency body at the national level in each Member State to complement regional initiatives on NTMs, the uploaded Matrix of Actual cases on NTMs/trade barriers onto the ASEAN Secretariat Website, and the endorsement of the National level and Regional level Work Program on NTMs by the 27th AFTA Council. The endorsed National level Work Program on NTMs would be used as a guideline for ASEAN Member States to address NTBs/barriers at their national level. The Ministers reiterated the importance of eliminating the barrier components of NTMs and committed to abide by the transparency, proper notification, and evaluation obligations as required by the provisions of ATIGA in eliminating the barrier components in NTMs implemented by ASEAN Member States.

## Self-certification

1. The Ministers noted the progress made by Brunei Darussalam, Malaysia, Singapore, and Thailand under the 1st Self-Certification Pilot Project since its implementation on
1 November 2010. The Ministers noted the entry into force of the MOU among the Governments of the Participating Member States of ASEAN on the 2nd Pilot Project for the Implementation of a Regional Self-certification System by Indonesia, Lao PDR, and the Philippines on 10 May 2013. The Participating Member States of the 2nd Self-Certification Pilot Project will start the implementation of the Pilot Project within the 3rd quarter of 2013. The Ministers noted the intention of Myanmar to join the 1st Self-Certification Pilot Project and the interests of Thailand and Viet Nam to take part in the 2nd Self-Certification Pilot Project. The Ministers affirmed the importance and prioritization of the realization of a single ASEAN-wide Self-Certification System by 2015.

## FOB Value removal from the CO Form D

1. The Ministers endorsed the revised ATIGA Operational Certification Procedures (OCP) text to cater for the abolishment of the FOB value in the CO Form D in case where Wholly Obtain (WO), Change in Tariff Classification (CTC), or Process Rule is applied as per the agreed effective implementation date on 1 January 2014. ASEAN Member States would continue to explore the possibility of removing the FOB value in the CO Form D where Regional Value Content (RVC) is used.

## Transposition of ATIGA Tariff reduction schedule into AHTN 2012

1. The Ministers noted the progress made on the transposition of ATIGA tariff reduction schedules from AHTN 2007 into AHTN 2012 and the issuance of legal enactments by
ASEAN Member States. The transposed ATIGA tariff reduction schedules in AHTN 2012 of Brunei Darussalam, Malaysia, Myanmar, and the Philippines have been endorsed
ad- referendum by the AFTA Council. The Minister reaffirmed the importance of the full implementation of the transposed ATIGA TRSs in AHTN 2012 by all ASEAN Member States in early 2014.

## List of superseded agreements

1. The Ministers noted the signing of the Protocol to Amend Certain ASEAN Economic
Agreements Related to Trade in Goods by the ASEAN Economic Ministers during the
19th ASEAN Economic Ministers’ Retreat (19th AEM Retreat) on 8 March 2013 in Ha Noi,
Viet Nam. ASEAN Member States are currently in various stages of undertaking domestic procedures to complete the ratification of the said Protocol. Upon its entry into force, the list of superseded agreements will be administratively annexed to the ATIGA.

## ASEAN Single Window (ASW)

1. The Ministers commended the progress made in the implementation of the
ASEAN Single Window (ASW), in particular the successful connectivity testing conducted by seven (7) participating Member States on the exchange of ATIGA Form D and
ASEAN Customs Declaration Document (ACDD) under the scaled-down version of the
ASW Pilot Project.
2. The Ministers urged ASEAN Member States to ensure the timely commencement and completion of the full-fledged pilot testing of the ASW and the evaluation of the ASW Pilot Project before 2015.
3. The Ministers urged ASEAN Member States to expedite the work for the completion of the development of the protocol on the legal framework to implement the ASW that would govern cross-border data exchange among Member States in the “live” implementation of the ASW.
4. Noting the importance of the National Single Windows (NSWs) in the implementation of the ASW, the Ministers urged the remaining Member States to expedite the development and implementation of their respective NSWs to ensure the timely realization of the ASW by 2015.

## Standards and Conformance

1. The Ministers noted the progress made by the ASEAN Consultative Committee on Standards and Quality (ACCSQ) on eliminating Technical Barriers to Trade (TBT) in ASEAN through harmonization of standards and technical requirements, development and implementation of Mutual Recognition Arrangements (MRA) and harmonization of regulatory regimes.
2. The Ministers urged the Member States to prioritize actions on harmonization of standards, mutual recognition arrangements for conformity assessment results and technical regulations for the Priority Integration Sectors, including the completion of internal processes to complete the legal scrubbing of proposed Agreements and transposition of signed Agreements into national legislations/regulations.
3. The Minister urged Member States to reduce country specific requirements on standards and technical requirements/regulations to achieve greater harmonization of standards and technical requirements in the region.
4. Noting the importance of reducing Technical Barriers to Trade in facilitating trade in ASEAN, the Ministers urged the ACCSQ to meet the agreed deliverables in 2015 in the area of standards and conformance.

# Trade in Services

1. The Ministers urged Member States to expedite the completion of their internal procedures for the entry into force of the ASEAN Agreement on Movement of Natural Persons, a standalone agreement aimed at facilitating the mobility of natural persons engaged in trade in goods, trade in services and investment on a temporary basis. The Agreement signed in November 2012 covers business visitors, intra-corporate transferees, contractual service suppliers and others as may be specified by Member States in their Schedule of Commitments.
2. The Ministers welcomed the progress towards the completion of the 9th Package of Services Commitments under the ASEAN Framework Agreement on Services, which is targeted for completion by 2013. The 9th Package of Services Commitments would facilitate a freer flow of services within the region, and would be a step closer to the realization of the
ASEAN Economic Community 2015 vision. In this regard, the Ministers have urged
Member States to expedite the completion of their 9th Package of Services Commitments.
3. The Ministers welcomed the preparations for the enhancement of the
ASEAN Framework Agreement on Services, which is due to start negotiations in the 4th quarter of 2013. The new ASEAN services agreement will be comprehensive and forward-looking as it aims to further broaden and deepen integration within ASEAN as well as ASEAN’s integration into the global supply chain.

# Investment

1. The Ministers noted the progress of the implementation of the ASEAN Comprehensive Investment Agreement (ACIA), which serves as ASEAN’s main economic instrument in realizing free flow of investment, since its entry into force on 29 March 2012. The Ministers welcomed the efforts of Member States towards progressive liberalization by implementing domestic reforms to improve their business environment. Further, Member States finalized the Protocol to Amend the ACIA which provides the mechanism to amend or modify reservations in the ACIA Schedule.
2. The Ministers noted the launch of ASEAN’s investment publications: the annual
“ASEAN Investment Report 2012”, which features the region as the location of choice for investment by leading global companies, as well as the “ACIA Guidebook for Businesses and Investors” and the “ACIA Handbook for Investment Promotion Officials” to promote and create greater understanding of the ACIA.
3. The Ministers launched the new ASEAN Investment Website, which is developed to serve as the platform and gateway of information about ASEAN as an investment destination and provide relevant information to investors and businessmen, specifically on measures that are being implemented by ASEAN to create an enabling business environment.

# Small and Medium Enterprises (SMEs)

1. The Ministers endorsed the revised Strategic Action Plan for SME Development (2010-2015) and welcomed the recommendations of the ASEAN SME Advisory Board as regards enhancing the core capabilities of SMEs, enhancing SME access to finance, and enhancing SME access to market and internationalization of SMEs. In particular, the Ministers called for the establishment of the national SME development funds and enhancement of SME access to finance. The Ministers noted the progress in the development of the ASEAN SME Policy Index and the integrative and country reports to be finalized by September 2013. The Ministers welcomed the enhanced regional cooperation on SMEs as well as the enhanced cooperation between ASEAN and the dialogue partners focusing on SME development.

# Intellectual Property (IP)

1. The Ministers noted that key deliverables consistent with the goals in the AEC Blueprint are continuously being accomplished by the ASEAN Working Group on Intellectual Property Cooperation (AWGIPC) and that the work plans for 28 initiatives under the
ASEAN IPR Action Plan 2011-2015 are being implemented to help advance the legal and policy infrastructures that address the evolving demands of the IP landscape.
2. The Ministers commended the significant progress that had taken place in the area of participation in multilateral agreements on intellectual property. The Ministers further noted that the ASEAN IP Portal (www.aseanip.org), a one-stop portal which facilitates information flow within the region's IP knowledge network, was officially launched on 26 April 2013 in conjunction with World IP Day.

# Competition Policy

1. The Ministers noted the progress in the implementation of competition policy and law in
ASEAN Member States, in particular that Brunei Darussalam, Cambodia, Lao PDR and Myanmar are currently drafting their respective competition laws. The Ministers also noted the publications on “Guidelines on Developing Core Competencies in Competition Policy and Law for ASEAN” as a reference for staff of competition-related agencies and “Handbook on Competition Policy and Law in ASEAN for Business 2013” to provide updated information for businesses on the current approaches and practices relating to competition policy and law in ASEAN Member States.

# Consumer Protection

1. The Ministers noted the ongoing progress on notification and information exchange by
ASEAN Member States on recalled/banned products and of voluntary recalled products as well as several initiatives, which have been introduced by the ASEAN Committee on Consumer Protection (ACCP) and are planned for delivery in 2013. These initiatives include redress mechanism models for national consumer protection in AMSs, eight consumer protection digests, and one case study on emerging consumer protection issue.

# ASEAN Community Statistical System (ACSS)

1. The Ministers were pleased to note the statistical developments since the establishment of the ASEAN Community Statistical System (ACCS), which has resulted in the improved production and dissemination of statistics. The Ministers also noted the ongoing mid-term review of the ACSS Strategic Plan 2011-2015 and the development of the ACSS Strategic Plan 2016-2020. The ACSS Strategic Plan 2011-2015 aims at establishing a strong and reliable system of
ASEAN statistics (ACSS) by 2015, addressing key statistical requirements in support of ASEAN regional integration, and narrowing the statistical development gap between the ASEAN-6 and the CLMV. Cognizant of the emerging challenges in the statistical system as ASEAN gears up towards deeper and broader integration, the Ministers encouraged relevant officials to align national priorities for statistical development with the ASEAN Vision 2020 and with agreements reached in ASEAN Summits in order to ensure the relevance of ASEAN statistics produced for policy purposes. These challenges are to be addressed in the ACSS Strategy 2016-2020 which is targeted for adoption in 2014.

# Public-Private Sector Engagement

1. The Ministers noted that many PPE activities were carried out in 2013, including the
3rd ASEAN-EU Business Summit and the 6th Dialogue between Secretary-General of ASEAN and the Federation of Japanese Chamber of Commerce and Industries in ASEAN. The Ministers commended the ASEAN Business Advisory Council for holding its first consultation with the business councils, and the successful convening of the flagship ASEAN Business and Investment Summit for the sixth consecutive sessions. The Ministers supported and urged the participation of the public and private sectors from all ASEAN Member States at the 10th China-ASEAN Expo and the 10th China-ASEAN Business Summit to be convened from 3 to 6 September 2013 in Nanning, China; and the ASEAN-Business and Investment Summit to be convened alongside the
45th ASEAN Economic Ministers meeting on 19-22 August 2013 in Bandar Seri Begawan,
Brunei Darussalam.

# External Economic Relations

1. The Ministers noted the developments in the implementation of the ASEAN+1 FTAs and were pleased with efforts to enhance and upgrade the Agreements with the view to encouraging business utilization of the ASEAN’s FTAs.
2. The Ministers also noted the progress in the negotiations for the Regional Comprehensive Economic Partnership (RCEP), in particular the commencement of actual negotiations in
May 2013. The Ministers urged officials involved in the negotiations to ensure that the
Guiding Principles and Objectives for Negotiating the Regional Comprehensive Economic Partnership is closely adhered to.
3. The Ministers welcomed the initial engagement between SEOM and their Hong Kong counterparts to carry out the mandate of the Ministers to pursue closer economic engagement, including the establishment of the ASEAN-Hong Kong Free Trade Area.

# Narrowing the Development Gap

1. The Ministers welcomed the launch of the book “Narrowing the Development Gap in ASEAN: Drivers and Policy Options” organized at the ASEAN Secretariat on 17 May 2013. The publication is a collaboration of ASEAN and Australia through the ASEAN-Australia Development Cooperation Program Phase 2 (AADCP II), and communicates the latest findings on the status of progress in ASEAN’s efforts in narrowing the development gap between the newer
Member States of Cambodia, Lao PDR, Myanmar and Viet Nam and ASEAN-6. With a better understanding of the issues and challenges, ASEAN can raise the awareness of the economic divide in ASEAN and design policies to further assist the CLMV and narrow the development gap.
2. The Ministers noted that a comprehensive Mid-term Review of the IAI Work Plan II (2009-2015) is currently underway. It aims to assess the implementation of the IAI Work Plan II and sets out concrete and practical measures to expedite the achievement of IAI’s objectives and chart the Work Plan’s future direction. The Ministers called on sectoral bodies to assist in the assessment of the IAI Work Plan II implementation and explore ways to further improve delivery of projects that will benefit the CLMV and enable their greater participation in the overall economic integration process. The Ministers welcomed the approval of the CLMV Action Plan 2014, which contributes to the accomplishment of the IAI Work Plan II.
3. The Ministers acknowledged the contributory role of sub-regional groups such as BIMP-EAGA, IMT-GT and various Mekong sub-regional cooperation frameworks in narrowing the development gap in the region. The Ministers welcomed the increasing engagement for closer interaction and enhanced cooperation with officials in an effort to align the sub-region’s development agenda with the ASEAN Economic Community Blueprint. Strengthening links with sub-regional cooperation programs would achieve greater complementation of initiatives and its contribution to the ASEAN integration.

# ASEAN Framework for Equitable Economic Development (AFEED)

1. The Ministers noted on the progress of the development of the work plan for the implementation of the AFEED. The World Bank is rendering assistance to develop a concept note based on the 131 activities identified in the AFEED stocktaking matrix.

# Technical Assistance and Capacity-Building

1. The Ministers expressed their appreciation to ASEAN’s dialogue and development partners’ for the technical assistance and capacity building they continue to provide not only to Member States but the ASEAN Secretariat as well. These technical assistance and capacity-building initiatives made available through the various facilities, i.e. ASEAN-Australia Development Cooperation Program Phase II, ASEAN Regional Integration Support from the EU, ASEAN Development Vision to Advance National Cooperation and Economic Integration from the US. The operationalization of the ASEAN-ADB Memorandum of Understanding (2012-2015) has been very useful in providing the development dimension in ASEAN’s economic integration efforts.
2. The Ministers noted the completion of the ADVANCE program and looked forward to the implementation of the ASEAN Connectivity through Trade and Investments program, which is aimed at strengthening institutions that support the trade and investment targets outlined in the AEC Blueprint.

# LIST OF MINISTERS

1. **The Hon. Pehin Dato Lim Jock Seng**, Second Minister, Ministry of Foreign Affairs and Trade, Brunei Darussalam
2. **H.E. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia
3. **H.E. Hang Chuon Naron**, Secretary of State, Ministry of Economy and Finance, Cambodia
4. **H.E. Kong Vibol, Vice Chairman**, The Council for the Development of Cambodia, Cambodia
5. **H.E. Gita Irawan Wirjawan**, Minister of Trade, Indonesia
6. **Mr. Achmad Kurniadi**, Deputy Chairman for Investment Cooperation, Investment Coordinating Board, Indonesia
7. **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
8. **H.E. Dato’ Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
9. **H.E. Kan Zaw**, Union Minister for National Planning and Economic Development, Myanmar
10. **H.E. Gregory L. Domingo**, Secretary of Trade and Industry, the Philippines
11. **H.E. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
12. **H.E. Niwattumrong Boonsongpaisan**, Minister of Commerce, Thailand
13. **Ms. Atchaka Sibunruang**, Deputy Permanent Secretary, Ministry of Industry, Thailand
14. **H.E. Nguyen Cam Tu**, Deputy Minister of Industry and Trade, Viet Nam
15. **H.E. Dao Quang Thu**, Deputy Minister, Ministry of Planning and Investment, Viet Nam
16. **H.E. Le Luong Minh**, Secretary-General of ASEAN