

1983 JOINT PRESS RELEASE OF THE 15TH ASEAN ECONOMIC MINISTERS' MEETING

Signed in Bangkok, Thailand on 17-19 October 1983

1. The Fifteenth Meeting of the ASEAN Economic Ministers was held in Bangkok on 17-19 October 1983. The Meeting was formally opened by H.E. General Prem Tinsulanonda, the Prime Minister of Thailand, and was preceded by a preparatory meeting of ASEAN Senior Economic Officials held on 14-15 October 1983.
2. The Meeting was attended by H.E. Dr. Ali Wardhana, Minister Coordinator for Economy, Finance and Industry and Development Supervision of Indonesia; H.E. Mr. Rachmat Saleh, Minister of Trade of Indonesia; H.E. Mr. Hartarto, Minister of Industry of Indonesia; H.E. Tengku Ahmad Rithauddeen, Minister of Trade and Industry of Malaysia; H.E. Dato Paul Leong Khee Seong, Minister of Primary Industries of Malaysia; H.E. Dr. Vicente B. Valdepenas Jr., Minister of Economic Planning of the Philippines; H.E. Mr. Edgardo L. Tordesillas, Deputy Minister of Trade and Industry of the Philippines; H.E. Mr. Romulo B. Lumauig, Deputy Minister of Trade and Industry of the Philippines; H.E. Dr. Tony Tan Keng Yam, Minister for Trade and Industry of Singapore; H.E. Dr. Wong Kwei Cheong, Minister of State for Trade and Industry of Singapore; H.E. Mr. Sidek Saniff, Parliamentary Secretary for Trade and Industry of Singapore; H.E. Mr. Sommai Hoontrakool, Minister of Finance of Thailand; H.E. Sub. Lt. Prapas Limpabandhu, Deputy Minister of Foreign Affairs of Thailand; H.E. Mr. Phairojana Jayaphorn, Deputy Minister of Commerce of Thailand; H.E. Dr. Chirayu Isarangkun Na Ayuthaya, Deputy Minister of Industry of Thailand, and their respective delegations.
3. H.E. Mr. Chan Kai Yau, the Secretary-General of the ASEAN Secretariat, and members of his staff were also present.
4. Dato Haji Ahmad bin Haji Jumat, Acting Head of Diplomatic Department, Brunei, and members of his delegation attended the Meeting as Observers.
5. The Prime Minister of Thailand, H.E. General Prem Tinsulanonda, presided at the Official Opening of the Meeting where he made an Opening Statement.
6. The Prime Minister noted that ASEAN economic cooperation has been strengthened on all fronts, namely, industrial projects, finance, communication and trade. There has also been progress in various sectors stipulated the Programme of Action of the ASEAN Concord. A striking example is the cooperation between the public and the private sectors of ASEAN. He encouraged the finalisation of the Basic Agreement on ASEAN Industrial Joint Ventures which would definitely reinforce and broaden ASEAN cooperation. The Prime Minister added that greater joint efforts in the utilization of ASEAN agricultural resources would increase ASEAN prosperity and the wellbeing of its peoples.
7. The Prime Minister commended the efforts made by various people to the study and exploration of the future directions of ASEAN cooperation, especially the intensive work of the ASEAN Task Force. He was convinced that the time was ripe for ASEAN to extend the parameters of its cooperation by expanding the scope of intra-regional economic activities.

8. The Prime Minister reiterated that the betterment of the living conditions of the rural sector must be part and parcel of ASEAN economic planning. ASEAN should not only concentrate its cooperation on the modern sector economy and it must do more to lessen the plight of the rural people by taking full and due account of the traditional sector in its planning.
9. The Prime Minister emphasised that as ASEAN is an important producer of many commodities, it should have considerably more influence in the world agricultural trade, ASEAN should therefore strengthen its cooperation in this field so that it may exploit to the full this favourable situation.
10. The Prime Minister pointed out that ASEAN region is vast, containing sizeable population, and quite favourably endowed with resources. Its deficiencies, on the other hand, are that large sections of its people are still afflicted by poverty, its productivity level is still rather low and its resources have yet to be brought to high economic levels.
11. The Prime Minister concluded his statement by saying that he had faith in ASEAN endeavour and that great potentials in ASEAN still exist. He urged that a balanced planning be pursued which recognized ASEAN realities.
12. H.E. Mr. Sommai Hoontrakool, leader of the Thai Delegation and H.E. Mr. Ali Wardhana, leader of the Indonesian Delegation, were elected Chairman and Vice-Chairman of the Meeting respectively.
13. The Meeting reviewed the progress made by the various ASEAN Economic Committees in their effort to further enhance economic cooperation and development within the ASEAN region.
14. In the area of energy cooperation, the Meeting was informed of the decisions of the 4th Meeting of the ASEAN Economic Ministers on Energy Cooperation held in Singapore on 19 January 1983. The Meeting endorsed the decision to incorporate a Supplementary Scheme into the existing ASEAN Emergency Petroleum Sharing Scheme and agreed to have it formulated into an ASEAN Agreement on Energy Security.
15. With regard to the AIC, the AEM finalized the list of products in the first package of the AIC. The products are as follows:
 - Indonesia – Diesel engine (80- 135 HP) motorcycle axles; rims for motorcycle.
 - Malaysia – Spokes and nipples; drive chains and timing chains; crown wheels and pinions; seat belts
 - Philippines – Body panels for passenger cars; transmissions/ Transaxles (for front wheel drive); rear axles (LCV) and below.
 - Singapore – Universal joints; oil seals; V-belts.
 - Thailand – Body panels for commercial vehicles of one ton and above; brake drums for trucks; heavy duty shock absorbers; stabilizers; bumpers and trunnion brackets.
16. The meeting agreed that a margin of preference for AIP products be set at 50%. Any member country may extend a higher margin of preference.

17. The Meeting agreed to amend the BAAIJV as initialled at the 14th AEM meeting in the form of a separate Supplementary Agreement which shall be first initialled by the AEM and subsequently signed together with the main Agreement by the Foreign Ministers. The Supplementary Agreement is subject to confirmation by member countries by 1 November 1983.
18. The Meeting also noted that member countries have started to exchange information on unfair business practices of suppliers and contractors, disputes on contract and equipment performance and other related matters.
19. The Meeting noted that all member countries have implemented the 20-25% across-the-board margin of tariff preference on items with import value of above US\$ 2.5 million up to US\$ 10 million either on 1 July or 1 August 1983.
20. The Meeting also noted that COTT would explore efforts at extending preferential trading arrangement in the food sector along comparable arrangements already made available to other product lines.
21. With regard to efforts at deepening MOP on food and non-food items already under the PTA and in future exchanges, the Meeting endorsed COTT's decision to deepen their MOP gradually to a maximum of 50% for implementation by 19 March 1984.
22. The Meeting also approved the trade preferences granted on bilaterally negotiated items at the fifteenth and the sixteenth meetings of COTT.
23. In order to promote intra-ASEAN liner services, the Meeting agreed that the Joint Ad Hoc Working Group on Shipping (JAHWGS) study measures to facilitate private sector initiatives in this area.
24. The Meeting expressed concern over the announcement of the Far Eastern Freight Conference to implement a general freight increase of 12% with effect from 1 January 1984. The increase would have damaging effects on ASEAN's exports, particularly at a time when the world economy has shown signs of an upturn. The Meeting further felt that since the world energy prices have been stabilized and inflation has generally slowed down worldwide, the increase is extremely unjustified and most untimely. The Meeting expressed its deep disappointment and urged the FEFC not to implement the increase.
25. The Meeting also noted that the third link of the ASEAN Submarine Cable Project (M.S.T.) linking Malaysia, Thailand and Singapore has been completed on 27 September 1983.
26. The Meeting had an extensive exchange of views on the ASEAN Task Force's recommendations and agreed to request the Secretary General of the ASEAN Secretariat to convene a special meeting of the Senior Economic Officials comprising, among others, the Chairmen of the Economic Committees in the third week of December 1983 to look into the recommendations of the Task Force and to submit its views to the ASEAN Economic Ministers.
27. The Meeting assessed recent developments in the world economic situation and noted that there were signs of an economic upturn in some major developed countries. The Meeting believed that for a global and sustained recovery to materialise, revitalisation and acceleration of the

development process of the developing countries would be imperative. Specifically, the fundamental problems which had continued to hamper the economic recovery of developed countries and retard the development of the developing countries could be attributed to the lack of a more efficient and stable functioning of the international monetary system, instability in the foreign exchange market and high interest rates, inadequate availability of international liquidity, and insufficient resources available and to be made available to existing international financial institutions including the IMF. Accentuating the present difficulties was the unrelenting resort to protectionism in developed countries which denied access to their market of products from the developing countries and unjustly transferred the burdens of adjustment to them. Urgent measures had to be taken to redress the recent collapse in commodity prices and this would best be achieved by a multi-pronged approach comprising national efforts, intra-producers cooperation and multilateral producer-consumer cooperation. Recognizing the interdependence of problems in key economic sectors such as trade, raw materials, energy, development and money and finance, the Meeting considered it highly urgent that constructive dialogues at a high political level be made to bring about solutions to all these problems in a global, integrated and comprehensive manner.

28. The Meeting noted that the effect of the collapse of commodity prices during the recession of the past two years on ASEAN economies took on added significance in view of the important role played by primary commodity exports in the developing process of many developing countries including ASEAN. The Meeting also noted the fundamental changes in the world trading structure that had emerged in recent years in response to which a more effective and concerted approach by commodity producers to solve the commodity problems was necessary. The Meeting agreed that ASEAN should strengthen its multipronged approach to solve international commodity problems. This includes renewed national efforts, particularly to increase productivity, closer intra-producer cooperation especially in the formation of producer associations where feasible, and multi-lateral efforts at producer-consumer cooperation in areas such as the Common Fund and the effective implementation of viable International Commodity Agreements. ASEAN member countries should continue to support the principles and objectives of the Integrated Programme for Commodities (IPC).
29. In view of the problem of over-supply for a wide range of commodities which became evident during the current prolonged period of recession, the Meeting agreed on the need to implement concerted supply management policies as essential complements to stocking arrangements for achieving the fundamental objectives of commodity price stabilisation. The Meeting agreed that member countries would seek that this provision be included in existing International Commodity Agreements like the INRA which do not have this provision.
30. The Meeting congratulated the ASEAN Ministers with responsibility for tin for having successfully initiated and created the ATPC on 29 September 1983 in Bangkok. The Meeting expressed confidence that the ATPC will complement the effective functioning of the International Tin Agreement. The Meeting stressed the fact that this Producers' Association will provide an important avenue for producer-consumer cooperation besides enhancing intra-producer cooperation in marketing of tin and in strengthening research and development activities, designed to reverse the decline in tin consumption by improving the competitive position of tin vis-a-vis synthetics and substitutes.

31. On the Common Fund, the Meeting urged the developed consuming countries, in particular the US and the Eastern Bloc countries to ratify the Common Fund Agreement to ensure that it will operate as soon as possible as an effective, equitable, viable and financially stable institution with a commodity focus.
32. The Meeting noted the progress of ASEAN cooperation with its dialogue partners.
33. The Meeting urged the EC to join ASEAN in reversing protectionistic tendencies which tend to hamper growth of world trade. In this context, the meeting called on the EEC not to impose the new tax on the consumption of ASEAN vegetable oils in the EEC. This issue was discussed by the recent ASEAN-EEC Joint Cooperation Committee meeting in Brussels. It was confirmed that there is a recommendation to levy a consumption tax for vegetable oils and fats within the context of reforms to EEC Common Agriculture Policy (CAP) and budgetary considerations. Based on current prices the new tax would make the cumulative duties on ASEAN vegetable oils in the EEC to be prohibitive, especially since ASEAN vegetable oils already face sizeable tariff walls in the EEC. The Ministers agreed on a joint ASEAN plan of response should the EEC proceed with its tax proposal.
34. The Meeting stressed the importance of convening a meeting of Economic Ministers between ASEAN and Japan to discuss various pressing issues of mutual concern interest.
35. The Meeting also endorsed the proposed ASEAN-US Memorandum of Understanding between ASEAN and the United States of America on the Release of Surplus Tin by the US GSA. The Meeting also recommended that the document be presented to the forthcoming Meeting of the ASEAN Foreign Ministers in Jakarta for formal acceptance. Thereafter, the ASEAN Washington Committee and the US Administration would proceed to implement the terms of the memorandum of understanding.
36. The Meeting agreed that the ASEAN-US Dialogue Meeting scheduled for December 1983 in Manila be upgraded to Ministerial level in view of the importance of various outstanding issues such as countervailing duties, GSP graduation, shipping, commodities and the Caribbean Basin Initiative.
37. The Meeting requested the Coordinating Countries to evaluate the progress of ASEAN Dialogues and directed the Secretary General of the ASEAN Secretariat to coordinate the matter by convening a meeting of Chairmen of various Economic Committees and Directors General of ASEAN National Secretariats. This meeting should also set priority for the various projects under consideration with dialogue countries.
38. The Meeting reaffirmed its desire to see the Global Negotiations launched as soon as possible and agreed to urge developed countries to cooperate constructively in the efforts to launch the Global Negotiations at the current United Nations General Assembly Session.
39. Indonesia informed the Meeting of the official Opening of the Aceh Fertiliser Plant, first of the ASEAN Industrial Projects to reach completion in early January next year and extended an invitation to all AEM heads of delegation to attend the function.

40. The Meeting agreed provisionally that the Sixteenth Meeting of the ASEAN Economic Ministers be held on 21-23 May 1984 with a preparatory meeting of Senior Economic Officials on 18-19 May 1984 in Indonesia.
41. The Delegations of Indonesia, Malaysia, the Philippines and Singapore and the Observer Delegation from Brunei expressed their sincere appreciation to the Government and people of Thailand for the warm hospitality accorded to them and the excellent arrangements made for the Meeting. The Meeting also expressed appreciation to the ASEAN Secretariat for their most valuable assistance.
42. The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.