

2001 JOINT PRESS STATEMENT OF THE 33RD ASEAN ECONOMIC MINISTERS' MEETING

Issued in Hanoi, Viet Nam on 15 September 2001

1. The Thirty-Third Meeting of the ASEAN Economic Ministers was held on 15 September 2001 in Hanoi, Viet Nam. The Meeting was preceded by a Preparatory ASEAN Senior Economic Officials Meeting (SEOM), the Third ASEAN Investment Area (AIA) Council Meeting and the Fifteenth ASEAN Free Trade Area (AFTA) Council Meeting.

OPENING CEREMONY

2. The Meeting was formally opened by H.E. Mr. Phan Van Khai, Prime Minister of Viet Nam. In his Opening Address, the Prime Minister highlighted that the global economic slowdown had affected ASEAN economies. He called for continued and reinforced economic reforms, including intensification of ASEAN economic cooperation, to enhance the competitiveness and the attractiveness of the region for trade and investment.
3. The Prime Minister called for the strengthening of economic relations with the rest of the world. He welcomed initiatives for closer economic partnerships between ASEAN and China, Japan, the Republic of Korea, Australia and New Zealand. The Prime Minister stressed that ASEAN should also bolster existing economic bonds with the US, Europe and other regions. He expressed that the ministerial consultations with these partners should aim to explore effective ways to intensify economic cooperation in the interest of all sides.

INITIATIVES FOR ASEAN INTEGRATION

4. In response to the Initiative on ASEAN Integration (IAI) launched by the ASEAN Leaders during the Fourth ASEAN Informal Summit, the Ministers welcomed the decision of the 15th AFTA Council to unilaterally extend tariff preferences to ASEAN's new members beginning 1 January 2002. The ASEAN Integration System of Preferences (AISP) would be implemented on a bilateral and voluntary basis and would be based on products proposed by ASEAN's new Members. They agreed that the AISP would be regularly monitored and reviewed by the Senior Economic Officials Meeting (SEOM) and reported to the Ministers.
5. The Ministers noted that the AISP would benefit ASEAN's new Members by extending preferences to nearly US\$400 million worth of their exports a year.

ASEAN-CHINA FTA

6. At the Summit in November 2000, the Leaders of ASEAN and China agreed to look into ways to enhance economic cooperation and integration, including the possibility of establishing a free trade area between ASEAN and China. At the 33rd AEM, the Ministers considered a draft report by the ASEAN-China Experts Group on Economic Cooperation, which recommends, among others, an ASEAN-China FTA. The Ministers considered the benefits that an FTA would bring to

both China and ASEAN. The Ministers agreed that the Experts Group had put up a good report but requested for refinement of the proposal on an ASEAN-China FTA for presentation to the ASEAN-China Summit in November 2001.

E-ASEAN

7. The e-ASEAN Framework Agreement was signed by the ASEAN Heads of Government at the 4th ASEAN Informal Summit in Singapore on 24 November 2000 to establish a free trade area for goods, services and investments for the information and communications technology (ICT) industries. Mindful of the need for the early realisation of e-ASEAN to take advantage of the opportunities offered by the revolution in ICT and electronic commerce, the Ministers urged the member countries that were ready to accelerate the implementation of Articles 4, 5, 6 and 7 of the Agreement thereof, to do so by 2002, and to assist other member countries to undertake capacity building.
8. The Ministers discussed the progress and the future plans of the various e-ASEAN activities under the key elements of the e-ASEAN Framework Agreement. The Ministers noted in particular the following e-ASEAN activities that are being undertaken:
 - In the area of facilitation of the establishment of an ASEAN Information Infrastructure; progress is being made on the setting up of an ASEAN Regional Internet Exchange (ARIX), which will drive the development of more efficient and accessible Internet traffic flow in the region. In support of this effort, an ASEAN Internet Service Providers Association (ARISPA) is being established to facilitate collaboration among ASEAN ISPs.
 - In the area of facilitation of growth of e-commerce; a Common Reference Framework for e-commerce Legal Infrastructure was published in July 2001. The Reference Framework aims to assist ASEAN Member Countries that do not have any e-commerce laws in place to draft their own, and for Member Countries with the legislation in place, to facilitate cross border e-commerce and the cross-recognition/cross certification of digital signatures. A Steering Committee for the ASEAN Certification Authorities (CA) Forum is being set up to accelerate the development of CAs and interoperability of digital signatures within the region.
 - In the areas of Liberalisation and Facilitation of Trade in ICT Products, Services and Investments; there has been progress in broadening the scope of tariff liberalisation and shortening the timeframe for elimination of tariffs for ICT products. Work is in progress to identify the appropriate ICT services for liberalisation for the second and subsequent rounds of negotiations. The Ministers also noted that the 1st ASEAN Telecommunications Ministers endorsed a sectoral Mutual Recognition Arrangement (MRA) for Telecommunications Equipment and urged its speedy implementation across the region.
 - In the areas of Capacity Building and e-Society, an ASEAN e-Readiness Assessment Matrix is being developed to benchmark and map out country specific areas for capacity building and development. The Ministers further highlighted that several Member Countries of ASEAN are undertaking specific HRD programs to assist the CLMV countries to accelerate their integration into ASEAN.

- In the area of e-Government, work is in various stages at both the national and inter-country levels to harness ICT in procurement of goods and services as well as in facilitating freer flow of goods, services, information and people.
9. The Ministers noted the commitments by member countries to accelerate their implementation of the e-ASEAN Framework Agreement to 2002 (see Annex). These accelerated measures underscore the commitment by the ten ASEAN Member Countries to develop a common marketplace for information and communications technology (ICT) goods and services, to facilitate ICT investments, and to put in place the infrastructure and policy frameworks for e-commerce, e-government and e-society.
 10. The Ministers also noted the strong interest and participation of the private sector in the implementation of e-ASEAN. A total of 19 private sector projects have been endorsed as e-ASEAN projects and a second call for projects is in progress.
 11. Reflecting importance of private sector inputs to the e-ASEAN initiative, the Ministers agreed to extend the term of the e-ASEAN Task Force (EATF). The Minister agreed to widen the scope of the participation of the private sector in the EATF.

ASEAN COMPETITIVENESS STUDY

12. Following up from an idea mooted at the AEM Retreat in Siem Reap, Cambodia, the Ministers agreed to commission a reputable international consultant to conduct an ASEAN Competitiveness Study. The Study aims to raise the competitiveness of ASEAN. Its objectives are to:
 - identify specific industrial sectors and clusters that ASEAN can grow as internationally competitive sectors;
 - generate specific, practical and action-oriented recommendations that the individual governments may implement to grow these clusters
 - build a permanent capability in the region to carry out future studies of this nature
13. The study will be done in consultation with the public and private sectors in each economy. This would include the private sector of both ASEAN and ASEAN's major trading partners. The Study will be tabled at the next informal meeting of the ASEAN Economic Ministers (ARM) in 2002 in Malaysia.

INVESTMENTS

14. The Ministers welcomed the signing of the Protocol to Amend the Framework Agreement on the ASEAN Investment Area which aims to enhance the AIA arrangement by expanding the sectors of coverage and shortening of the end date for phasing out of the Temporary Exclusion List (TEL) for the manufacturing sector for the 6 original ASEAN members and Myanmar from 2010 to 2003. Cambodia, Lao PDR and Viet Nam will phase-out their manufacturing TEL by 2010.

15. The Ministers were pleased with the decision of the Third AIA Council Meeting to accelerate the full realisation of the AIA for non-ASEAN investors in the manufacturing, agriculture, fishery, forestry and mining sectors. In this regard, the six ASEAN countries will shorten the timeframe by 10 years from 2020 to 2010. The newer Member Countries will shorten the timeframe by at least 5 years from 2020.

SERVICES

16. The Ministers welcomed the conclusion of the third package of commitments for the second round of negotiations and endorsed the Protocol to implement this package of commitments for signing in Brunei Darussalam before the convening of the 7th ASEAN Summit. The Protocol will further eliminate substantial restrictions to trade in services among Member Countries and liberalise trade in services by expanding the depth and scope of liberalisation beyond those undertaken by Member Countries under the General Agreement on Trade in Services (GATS) of the World Trade Organisation (WTO).
17. The Ministers agreed to launch the third round of negotiations beginning 2002 and ending 2004 covering all sectors and modes of supply. The Ministers tasked the senior officials to explore new approaches to guide the next and subsequent rounds of negotiations under the ASEAN Framework Agreement on Services.

STANDARDS AND CONFORMANCE

18. The Ministers endorsed the Sectoral Mutual Recognition Arrangement (MRA) for Electrical and Electronic Equipment for signing in Brunei Darussalam before the convening of the 7th ASEAN Summit. The Ministers welcomed the conclusion of the Sectoral Mutual Recognition Arrangement for Telecommunication Equipment and the progress made in the development of Sectoral Mutual Recognition Arrangement in cosmetics and pharmaceuticals.
19. The sectoral MRAs will allow products tested in one ASEAN country to be sold in other ASEAN countries without duplicating the testing and certification already done in the first country. For those products subjected to product registration approval, the sectoral MRAs would allow them to be marketed in the other ASEAN countries if the products have been registered accordingly in one ASEAN country. The implementation of the MRAs will have a positive impact on intra-ASEAN trade, which for the above identified sectors account for more than 40% of intra-ASEAN exports or about US\$ 38 billion in the year 2000.

INDUSTRIAL COOPERATION

20. The Ministers were pleased to note that 77 AICO applications have been approved generating more than US\$966 million in trade transactions per year. The Ministers agreed that there was still a need to attract more participation from companies operating in the region. Towards this end, the Ministers agreed to further extend the waiver on the 30% national equity requirement for all AICO applications until 31 December 2002.

INTERNATIONAL AND REGIONAL ECONOMIC ISSUES

21. The Ministers supported the launch of a new round of WTO negotiations. The Ministers re-affirmed their support for the expeditious accession of Cambodia, Laos and Viet Nam to the WTO and urged that appropriate assistance be extended by the WTO to facilitate their accession.
22. The Ministers commended Viet Nam on its Chairmanship for ASEM and the successful outcomes of the Third Asia Europe Economic Ministers' Meeting held in Ha Noi from 10-11 September 2001.

ASEAN TRADE FAIR 2002

23. The Meeting noted with appreciation the progress made by Thailand in the preparations of the ASEAN Trade Fair, which will be held in Bangkok, Thailand on 14-20 October 2002. The details of the ASEAN Trade Fair has been made available at www.depthai.go.th.

SEVENTH ASEAN SUMMIT

24. The Ministers looked forward to the Seventh ASEAN Summit to be held in Bandar Seri Begawan, Brunei Darussalam in November 2001.

LIST OF ASEAN ECONOMIC MINISTERS

The meeting was attended by:

1. **H.E. Mr. Vu Khoan, Minister of Trade**, Vietnam; Chairman of 33rd AEM; and
2. **H.E. Pehin Dato Abdul Rahman Taib**, Minister of Industry and Primary Resources, Brunei Darussalam;
3. **H.E. Mr. Cham Prasadh**, Minister of Commerce, Cambodia;
4. **H.E. Ms. Rini M.S. Soewandi**, Minister of Industry and Trade, Indonesia;
5. **H.E. Mr. Soulivong Daravong**, Minister of Industry and Handycrafts, Lao PDR;
6. **H.E. Dato' Seri Rafidah Aziz**, Minister of International Trade and Industry, Malaysia;
7. **H.E. Brigadier General David O. Abel**, Minister at the Office of the Chairman of the State Peace and Development Council, Myanmar;
8. **H.E. Dr. Thomas G. Aquino**, Undersecretary of Trade and Industry, Philippines;
9. **H.E. Brigadier General (NS) George Yeo**, Minister for Trade and Industry, Singapore;
10. **H.E. Dr. Adisai Bodharamik**, Minister of Commerce, Thailand;
11. **H.E. Mr. Rodolfo C. Severino, Jr.**, Secretary General of ASEAN.