

2002 JOINT DECLARATION OF THE LEADERS OF ASEAN AND JAPAN ON THE COMPREHENSIVE ECONOMIC PARTNERSHIP

Adopted in Phnom Penh, Cambodia on 5 November 2002

WE, Heads of State/Government of Brunei Darussalam, Kingdom of Cambodia, Republic of Indonesia, Lao People's Democratic Republic, Malaysia, Union of Myanmar, Republic of the Philippines, Republic of Singapore, Kingdom of Thailand, Socialist Republic of Vietnam, and Japan, gathered today for the ASEAN-Japan Summit,

Recalling the Initiative proposed by Prime Minister Junichiro Koizumi in January this year for Japan-ASEAN Comprehensive Economic Partnership to strengthen broad-ranging economic partnership between Japan and ASEAN;

Inspired by the significant progress made in ASEAN-Japan relations which would be highlighted by the ASEAN-Japan Commemorative Summit in 2003 to mark 30 years of ASEAN-Japan relations;

Acknowledging that the economic partnership between ASEAN and Japan has been expanding and cover a wide range of areas;

Recognizing that the rapid progress of regional economic integration in other parts of the world, particularly in Europe and in North America, has been contributing to promote liberalization of world trade and stimulate dynamism in the region;

HEREBY DECLARE:

1. We underlined the desirability for this region to seek such economic integration through the creation of economic partnerships and linkages.
2. We shared the view that such partnerships and linkages should be of a comparable nature to ones achieved in other regions and completed as soon as possible.
3. We viewed that a comprehensive economic partnership between ASEAN and Japan would provide greater market opportunities to their economies, through the creation of larger and new markets and enabling the industries to enjoy bigger economies of scale, and that such partnership would bring about greater stability and prosperity to this region, nurturing a sense of community between ASEAN and Japan.
4. We recognized that, for the creation of economic partnerships and linkages of a leading nature between ASEAN and Japan, ASEAN and Japan should seek broad-based economic partnership covering not only liberalization of trade and investment but also trade and investment promotion and facilitation measures, including, but not limited to customs procedures, standards and conformance, non-tariff measures, and co-operation in other areas, such as financial services, information and communications technology, science and technology, human resource development, small and medium enterprises, tourism, transport, energy and food security.

5. We endorsed the approach that, while considering a framework for the realization of a Comprehensive Economic Partnership between Japan and ASEAN as a whole, any ASEAN member country and Japan could initiate works to build up a bilateral economic partnership. We welcomed the efforts made by our foreign and economic ministers on the ASEAN-Japan comprehensive economic partnership and commended the Expert Group on ASEAN-Japan Closer Economic Partnership for their report. We also welcomed and encouraged initiatives by ministers of other portfolios, such as transport, to promote co-operation for such economic partnerships.
6. From the viewpoint of promoting the aforementioned approach, we expressed satisfaction with the progress of consultations between ASEAN countries and Japan to explore bilateral economic partnerships and agreed that such bilateral economic partnerships should seek to develop and enhance the comprehensive economic partnership between ASEAN and Japan.
7. We recognized that the goal of such block building should be to strengthen current economic partnership between Japan and ASEAN as a whole and, with this as a basis, to explore and broaden such economic partnerships for the whole of East Asia.
8. We noted that the ASEAN-Japan Comprehensive Economic Partnership would expand trade and boost growth between the two regions. By the year 2020, the export value from ASEAN to Japan would increase by US\$ 20,630 million, which would be equivalent to 44.2% of that in the base year, 1997. The export value from Japan to ASEAN would increase by US\$ 20,022 million, which would be equivalent to 27.5% of that in the base year.
9. Based on these understandings, we decided that ASEAN and Japan develop a framework that would provide a basis for concrete plans and elements towards realising an ASEAN-Japan Comprehensive Economic Partnership in accordance with such guiding principles as comprehensiveness of countries and sectors, reciprocity and mutual benefits.
10. We affirmed that special and differential treatment could be provided to developing countries of ASEAN in accordance with WTO Agreements. Additional flexibility should also be accorded to the new members of ASEAN.
11. We also decided that the implementation of measures for the realization of the partnership, including elements of a possible free trade area, should be completed as soon as possible within 10 years, taking into account the economic levels and sensitive sectors in each country.
12. We confirmed that the ASEAN-Japan Comprehensive Economic Partnership should be consistent with the rules and disciplines of the WTO.
13. We recognized the feasibility and effectiveness of the building block approach. Therefore, the Comprehensive Economic Partnership should begin in areas where implementation is feasible; it could address areas that could be implemented on an accelerated basis to provide immediate benefits to the parties, without leaving the liberalization aspect behind, such as:
 - Technical assistance and capacity building to ASEAN, particularly for the new members, so as to improve their competitiveness to meaningfully participate in the partnership
 - Trade and investment promotion and facilitation measures
 - Trade policy dialogue
 - Business sector dialogue
 - Facilitation of mobility for business people
 - Any other measures delivering immediate mutual benefits.

14. Finally, we also decided on the establishment of a Committee, consisting of relevant senior officials of ASEAN and Japan responsible for sectors and scopes of comprehensive economic partnership and tasked this committee to consider and draft a framework for the realization of the Comprehensive Economic Partnership and present its report to the Leaders Meeting in 2003. We also instructed that the progress of the creation of bilateral economic partnerships should be reported to this Committee.

DONE in Phnom Penh, Cambodia on the 5th day of November, Two Thousand and Two, in two copies in the English language.

For Brunei Darussalam
HAJI HASSANAL BOLKIAH
Sultan of Brunei Darussalam

For the Kingdom of Cambodia
HUN SEN
Prime Minister

For the Republic of Indonesia
MEGAWATI SOEKARNOPUTRI
President

For Japan
JUNICHIRO KOIZUMI
Prime Minister

For the Lao People's Democratic Republic
BOUNNHANG VORACHITH
Prime Minister

For Malaysia
MAHATHIR BIN MOHAMAD
Prime Minister

For the Union of Myanmar
SENIOR GENERAL THAN SHWE
Chairman of the State Peace and Development Council and Prime Minister

For the Republic of the Philippines
GLORIA MACAPAGAL-ARROYO
President

For the Republic of Singapore
GOH CHOK TONG
Prime Minister

For the Kingdom of Thailand
LT. POL. COL. THAKSIN SHINAWATRA
Prime Minister

For the Socialist Republic of Viet Nam
PHAN VAN KHAI
Prime Minister