

# **2021 JOINT STATEMENT ON FURTHER ENHANCING TRADE AND ECONOMIC COOPERATION AT THE 30TH ANNIVERSARY OF ASEAN-CHINA DIALOGUE RELATIONS**

## **20TH AEM-MOFCOM CONSULTATIONS**

*Issued on 13 September 2021*

Since the establishment of dialogue relations between ASEAN and China in 1991, trade and economic relations have developed from strength to strength. According to preliminary ASEAN data, total merchandise trade between ASEAN and China reached US\$ 516.9 billion in 2020, registering an increase of 1.8% year-on-year despite the challenging trade environment brought by COVID-19. Foreign Direct Investment (FDI) flows from China to ASEAN amounted to US\$ 7.6 billion in 2020, accounting for 5.5 per cent of ASEAN's total FDI, which placed China as the fourth largest source of FDI among ASEAN's Dialogue Partners. According to China's statistics, over the past 30 years, ASEAN-China trade in goods has grown from US\$ 7.96 billion to US\$ 684.6 billion, and cumulative two-way investment has exceeded US\$ 310 billion. China has been ASEAN's largest trading partner for 12 consecutive years, and ASEAN became China's largest trading partner for the first time in 2020. ASEAN is a key region where Chinese enterprises invest and the ASEAN-China Free Trade Agreement (ACFTA), which has been upgraded and is being improved further, remains one of the cornerstones of ASEAN-China economic relations. Both sides have also worked together to successfully sign the Regional Comprehensive Economic Partnership (RCEP) Agreement.

At present, ASEAN continues to work towards realizing the goals of the ASEAN Economic Community (AEC) while China is fostering a new dual circulation development paradigm with domestic circulation as the mainstay and internal and external circulation reinforcing each other. ASEAN and China emphasized their commitment to actively enhance cooperation between ASEAN and China in the area of trade and economic cooperation, accelerate economic recovery from the impact of the COVID-19 pandemic, and closer ASEAN-China cooperation. ASEAN and China commended the achievements made possible through their bilateral trade and economic cooperation over the past 30 years and committed to further enhance trade and economic cooperation through the following measures:

### **I. FURTHER EXPANDING ASEAN-CHINA TRADE AND INVESTMENT COOPERATION**

ASEAN and China recognized the importance of complementarities of regional supply chains to advance trade and investment growth, and will explore options to promote the establishment of regular dialogue mechanisms and platforms for industries from the fields such as, but not limited to, food, agricultural products, pharmaceutical, automobile, and e-commerce; and provide assistance for enterprises especially for Micro, Small and Medium Enterprises (MSMEs) to effectively utilize the ACFTA. The two sides agreed to promote transparency in addressing non-tariff barriers that impede trade and investment relations; explore connecting the ASEAN Single Window with China so as to facilitate the transmission of electronic trade documents, and increase the efficiency of customs clearance; and reduce the cost of doing business. ASEAN and China also agreed to explore possible cooperation in new fields including e-commerce in order to promote the growth of trade in services, share complementary advantages in circular economy, effectively address non-tariff measures (NTMs) and cultivate new growth areas of trade and investment cooperation.

ASEAN and China welcomed the active participation of both sides in major trade and investment promotion activities including the China International Import Expo (CIIE) and China-ASEAN Expo (CAEXPO). They encouraged government departments and industry organizations from both sides to share experiences and support each other in areas of promoting consumption cultivating and supervising new business forms and models, and cooperating in other areas of mutual interests.

## **II. FURTHER DEEPENING ANTI-PANDEMIC COOPERATION IN TRADE AND ECONOMIC FIELDS**

ASEAN and China reaffirmed their commitment to implement the *ASEAN-China Economic Ministers' Joint Statement on Combating the Coronavirus Disease (COVID-19) and Enhancing ACFTA Cooperation*, which was released in May 2020 to jointly fight the COVID-19 pandemic and contribute to the safe and sustainable growth of the regional economy.

ASEAN and China reiterated their commitment to keep markets open and ensure the continued, smooth, and sustainable flow of essential goods and services. They committed to share information and experience on combatting COVID-19 in a timely and effective manner; further strengthen collaboration on the prevention and control of COVID-19; and facilitate production and equitable access to medicines and vaccines used for the treatment of COVID-19, in order to contribute to regional and global health security. The two sides acknowledged that any emergency trade measures deemed necessary to tackle COVID-19 shall: (i) be targeted, proportionate, transparent and temporary; (ii) not create unnecessary barriers to trade; and (iii) take into account the standards and recommendations of the World Customs Organization (WCO) and be consistent with the rights and obligations of each Party under the World Trade Organization (WTO) covered agreements.

## **III. FURTHER ENHANCING THE LEVEL OF ASEAN-CHINA ECONOMIC INTEGRATION**

ASEAN and China agreed to work towards a more inclusive, modern, comprehensive, and mutually beneficial ASEAN-China Free Trade Area (ACFTA), including providing necessary technical support and capacity building to all Parties especially to the Least Developed Countries (LDCs), to bring more tangible benefits and opportunities to the regional economy. Both sides expressed their determination to fully implement the remaining elements in the Future Work Programme under the ACFTA Upgrade Protocol and to also explore broader mutual opening-up in other areas under the ACFTA.

ASEAN and China expressed support to various mechanisms to support economic cooperation, among others, the AEM-MOFCOM, BIMP-EAGA China Cooperation (BECC), ASEAN-China Connectivity Cooperation Committee, Lancang-Mekong Cross-border Economic Cooperation Working Group and other regional and sub-regional trade and economic cooperation mechanisms, to contribute to regional integration and the development of the AEC while reinforcing ASEAN Centrality. The two sides reaffirmed their support to ASEAN's efforts to narrow the development gap among the ASEAN Member States, including through the implementation of the Initiative for ASEAN Integration (IAI) Work Plan IV, as well as other bilateral, sub-regional, and regional cooperation between China and ASEAN Member States. In the abovementioned cooperation, both sides were also mindful of the synergies between the Master Plan on ASEAN Connectivity (MPAC 2025) and China's Belt and Road Initiative (BRI).

ASEAN and China supported the enhancement of regional supply chains to be more resilient and sustainable and encouraged the development of inclusive platforms, taking into account existing initiatives, for various stakeholders from ASEAN and China especially MSMEs to conduct exchanges and cooperation on supply chain innovation and application, including possible technology exchanges to promote complementarities in the regional value chain given the adverse impact of the COVID-19 pandemic to the regional and global supply chains. ASEAN and China reaffirmed their commitment to the open, free, inclusive, transparent, and non-discriminatory rules-based multilateral trading system centered on the WTO and underscored their support to uphold and abide by rules and obligations under the WTO, and its commitment to keeping markets open for trade and investment.

Encouraged by the progress made in ongoing ASEAN-China strategic initiatives, including those under the Plan of Action to Implement the ASEAN-China Strategic Partnership for Peace and Prosperity (2021-2025), ASEAN and China reaffirmed their commitment to pursue those initiatives by continuously supporting related sectoral working groups to further discuss the aforesaid initiatives and report to the relevant Ministerial meetings. ASEAN suggested that relevant sectoral bodies look into the expansion of ASEAN-China financial cooperation to improve access to financial services and products for individuals and MSMEs, improve financial infrastructure development in the region, and explore areas such as financial technology, green financing and regional payments connectivity.

#### **IV. FURTHER STRENGTHENING COOPERATION ON RCEP**

ASEAN and China urged all RCEP Signatory States to ratify the Agreement as soon as possible to ensure its entry into force by 1 January 2022, as targeted, and encouraged all parties to accelerate the completion of technical preparations for the implementation of the Agreement. China stands ready to provide various kinds of support and assistance to ASEAN Member States for their implementation of the Agreement, if needed. ASEAN and China also welcomed discussions on the request of Hong Kong SAR, China to accede to the RCEP Agreement.