



**THE TWENTY-FIRST AEM-CER CONSULTATIONS
4 August 2016, Vientiane, Lao PDR**

JOINT MEDIA STATEMENT

1. Economic Ministers from the ten ASEAN Member States, Australia and New Zealand (Closer Economic Relations – CER) met on 4 August 2016 in Vientiane, Lao PDR for the Twenty-first AEM-CER Consultations. The Consultations were co-chaired by H.E. Mrs Khemmani Pholsena, Minister of Industry and Commerce of Lao PDR; the Honourable Steven Ciobo, Minister for Trade, Tourism and Investment of Australia; and the Honourable Todd McClay, Minister of Trade of New Zealand.
2. Following the establishment of the ASEAN Economic Community (AEC) in 2015, a major milestone in progressing the region’s integration and bringing this to greater heights, the Ministers of ASEAN, Australia and New Zealand discussed the new AEC Blueprint 2025, which envisages an AEC by 2025 that is highly integrated and cohesive; competitive, innovative and dynamic; with enhanced connectivity and sectoral cooperation; a more resilient, inclusive, and people-oriented, people-centered community; and integrated with the global economy. Australia and New Zealand are supporting the AEC in practical ways, including through the implementation of the ASEAN-Australia-New Zealand FTA (AANZFTA) and its economic cooperation support program.
3. Total merchandise trade between ASEAN, Australia, and New Zealand grew to USD 60.3 billion in 2015, accounting for 2.6 per cent of ASEAN’s total trade. Foreign Direct Investment (FDI) flows from Australia and New Zealand to ASEAN amounted to USD 7.4 billion in 2015, accounting for 6.2 per cent of total FDI inflows in ASEAN.
4. Australia was ASEAN’s seventh largest trading partner in 2015 with total two-way merchandise trade of USD 51.8 billion. Australian FDI flows to ASEAN amounted to USD 5.2 billion in 2015. In the same year, total merchandise trade between ASEAN and New Zealand reached USD 8.5 billion, and New Zealand FDI flows to ASEAN amounted to USD 2.2 billion. Ministers acknowledged there is still considerable untapped potential in the trade and investment relationship.
5. In light of this, Ministers discussed the next phase of AANZFTA and agreed that the General Review of the AANZFTA would take place during 2017. The Ministers endorsed the Terms of Reference of the General Review and encouraged officials to deliver recommendations by 2018, which would take into account developments in the broader regional economic agenda, including the AEC Blueprint 2025 and the Regional Comprehensive Economic Partnership (RCEP) negotiations.

6. The Ministers welcomed the entry into force of the First Protocol to Amend the Agreement Establishing the AANZFTA, and its smooth implementation to date, and the close coordination between the Parties to further facilitate trade pending full implementation of the First Protocol by all the Parties. The Ministers underscored the underlying objectives of AANZFTA which are to promote and facilitate trade and investment and deepen cooperation amongst Parties.

7. The Ministers were pleased to note the outcomes of the Regional Policy Dialogue on Transposition of the AANZFTA Tariff Reduction Schedules (TRS) and Rules of Origin Product Specific Rules (PSRs) from Harmonised System Codes (HS) 2012 into HS 2017, which was held on 20–24 May 2016 in Cebu, Philippines. The Ministers underlined the importance of the timely transposition of TRS and PSRs from HS 2012 to HS 2017, and urged the Senior Officials to ensure effective implementation of the recommendations of the Regional Policy Dialogue.

8. Ministers noted as tariff levels are reduced in the region, other issues impacting on market access such as non-tariff measures become increasingly important to address. Also the development of regional and global value chains has lifted the need for services and investment to facilitate trade. Ministers encouraged officials to expedite work on AANZFTA's built-in agenda, including the review of non-tariff measures, product specific rules, services and investment.

9. The Ministers noted the ongoing Pilot Study surveying business in the region to identify key non-tariff measures and develop recommendations for addressing them. The Pilot Study is part of the AANZFTA Review of Non-Tariff Measures, which takes an innovative approach to the issue of NTMs by looking at 'supply chains'. The initial focus has been on the seafood and furniture sectors. The Ministers looked forward to the completion of the report of the Pilot Survey on Non-Tariff Measures (NTMs) that will include recommendations to address NTM issues faced by relevant players across a value/supply chain in the AANZFTA region.

10. Ministers noted economic cooperation under the AANZFTA Economic Cooperation Support Program (AECSP) has been an important element in operationalising and implementing the Agreement. It has helped to support the implementation of the AANZFTA particularly in the areas of, rules of origin (ROO), sanitary and phytosanitary measures (SPS), Services, investment, intellectual property (IP), and competition. The Ministers also encouraged officials to continue reprioritising economic cooperation activities towards areas of the FTA yet to be implemented, such as the built-in agenda and noted that the process of designing a successor program to the AECSP should be considered in conjunction with the General Review of AANZFTA.

LIST OF MINISTERS

1. **The Hon. Steven Ciobo**, Minister for Trade, Tourism and Investment, Australia;
2. **The Hon. Pehin Dato Lim Jock Seng**, Minister at the Prime Minister's Office and Second Minister of Foreign Affairs and Trade, Brunei Darussalam;
3. **H.E. Pan Sorasak**, Minister of Commerce, Cambodia;
4. **Mr Iman Pambagyo**, Director General of International Trade Negotiations, Ministry of Trade, Indonesia (representing H.E. Enggartiasto Lukita, Minister of Trade, Indonesia);
5. **H.E. Mrs Khemmani Pholsena**, Minister of Industry and Commerce, Lao PDR;
6. **H.E. Dato' Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia;
7. **H.E. Kyaw Win**, Union Minister for Planning and Finance, Myanmar;
8. **Hon. Todd McClay**, Minister of Trade, New Zealand;
9. **H.E. Ramon M. Lopez**, Secretary of Trade and Industry, the Philippines ;
10. **H.E. Lim Hng Kiang**, Minister for Trade and Industry (Trade), Singapore;
11. **H.E. Apiradi Tantraporn**, Minister of Commerce, Thailand;
12. **H.E. Tran Tuan Anh**, Minister of Industry and Trade, Viet Nam;
13. **H.E. Le Luong Minh**, Secretary-General of ASEAN.