



**AEM-USTR CONSULTATIONS
4 August 2016, Vientiane, Lao PDR**

JOINT MEDIA STATEMENT

1. Consultations between the ten ASEAN Economic Ministers (AEM) and the United States Trade Representative (“the Ministers”) were held on 4 August 2016 in Vientiane, Lao PDR. The Consultations were co-chaired by H.E. Mrs Khemmani Pholsena, Minister of Industry and Commerce of Lao PDR and Ms Barbara Weisel, Assistant United States Trade Representative (AUSTR) for Southeast Asia and the Pacific, Office of the United States Trade Representative (representing H.E. Michael Froman, the United States Trade Representative).
2. The United States (U.S.) commended the establishment of the ASEAN Economic Community (AEC) in 2015 as a major milestone in regional economic integration. The U.S. also welcomed 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.
3. The Ministers noted the performance of ASEAN-U.S. bilateral trade and investment. Merchandise trade reached USD 212.8 billion and accounted for 9.3 per cent of ASEAN’s total merchandise trade, while services trade reached almost \$40 billion, according to ASEAN statistics and the U.S. data, respectively. Foreign direct investment (FDI) flows from the U.S. to ASEAN amounted to USD 12.2 billion in 2015, as per ASEAN statistics, placing the U.S. as ASEAN’s third largest source of FDI. Meanwhile, according to the U.S. statistics, the U.S. remains one of the largest investors in the ASEAN region in terms of cumulative FDI, reaching over USD 273.4 billion in 2015.
4. The Ministers were pleased with the success of the AEM Roadshow to the U.S, which was held on 17–18 February 2016, back-to-back with the Special U.S.-ASEAN Leaders Summit in Sunnylands, California, United States. Focusing on innovation and entrepreneurship, the Roadshow further strengthened ASEAN-U.S. connections and generated increased awareness of the presence ASEAN as a region and vital trading partner of the U.S.
5. The ASEAN Ministers noted the progress of implementation of U.S.-ASEAN Connect as the new strategic framework for coordination of the extensive U.S. economic engagement with the ASEAN region to deepen and strengthen the economic relationship, as well as the progress of the implementation of the U.S.-ASEAN Trade Workshops, announced by President Obama during the Special U.S.-ASEAN Summit.

6. The Ministers were pleased to note that the Connect Centers in Jakarta, as well as the strategic Connect locations in Singapore and Bangkok to implement the U.S.-ASEAN Connect Initiative, will be operationalized in September 2016 to implement U.S.-ASEAN Connect, which will combine the expertise and resources of the U.S. government and private sector to increase U.S.-ASEAN economic relations as well as assist ASEAN in achieving the economic integration goals of the AEC.
7. The Ministers welcomed the progress in implementing the ASEAN-U.S. Trade and Investment Framework Arrangement (TIFA) and the Expanded Economic Engagement (E3) Initiatives Work Plan.
8. The Ministers endorsed the texts of the ASEAN-U.S. Cooperation in Fostering Transparency and Good Regulatory Practices and the ASEAN-U.S. Cooperation in Fostering International Investment, as attached. The Ministers welcomed the good progress made in the discussion on ASEAN-U.S. Cooperation in Fostering Cooperation in Telecommunications and Information Technology Services. The Ministers urged their teams to work to conclude this text prior to the ASEAN-U.S. Summit in September 2016.
9. The Ministers were pleased to note the outcomes of the first Workshop under the ASEAN-U.S. Trade and Environment Dialogue focusing on Combating Illegal, Unreported and Unregulated Fishing, which was held on 5–6 November 2015 in Kuala Lumpur, Malaysia and looked forward to subsequent workshops.
10. The Ministers discussed ASEAN's proposal for the ASEAN-U.S. Internship Program, which aims to enhance the capabilities of ASEAN young professionals by providing them the opportunities to work in U.S. companies and, at the same time, enable U.S. companies to tap into ASEAN's talent pool.
11. ASEAN Ministers expressed their appreciation to the U.S. for the continued support in the areas of ASEAN Single Window, trade facilitation, small and medium enterprises (SMEs), energy as well as information and communication technology (ICT) development through the USAID's project of ASEAN Connectivity Through Trade and Investment (ACTI), and looked forward to its extended program to support the ASEAN 2025 agenda.
12. The Ministers noted the report by the U.S.-ASEAN Business Council (USABC), including its activities to promote trade and investment between ASEAN and the U.S. and its recommendations.

LIST OF MINISTERS

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

Attachment 1

ASEAN-US Cooperation in Fostering Transparency and Good Regulatory Practices

Transparency is one of key to success of trade liberalization and facilitation, and is essential to addressing and eliminating unnecessary barriers to trade. The businesses engaged in international trade and investment, especially small- and medium-sized enterprises, value the predictability that comes with a clear understanding of how policies and practices that will affect them are being developed and how they will be applied. Improving transparency in international trade and investment helps leverage trade to achieve more inclusive growth by improving predictability and accountability.

Therefore, the governments of the ten ASEAN Member States and the United States share a common understanding that the following best practices on transparency and good regulatory practices help improve and deepen the international trade and investment relationship among ASEAN countries and the United States to the benefit of our economies, businesses, workers and consumers:

Preparation

- Developing, using, or strengthening processes, mechanisms or bodies to enable a whole-of-government approach in the development of measures that may affect international trade and investment, including coordination across relevant government agencies.
- Ensuring that draft regulatory measures define the problem they seek to address, set clear policy objectives, assess all feasible options that may constitute viable means for fulfilling the objectives, and analyze the impacts arising from these options.

Consultation

- Publishing plainly written, clear and concise draft measures for public comment with adequate time for the public to review, so that a broad range of stakeholders — public and private, foreign and domestic — can provide input that may be taken into account and can lead to improved outcomes.

Publication

- Providing that final measures are promptly published, for example via the Internet, in such a manner as to enable stakeholders to become acquainted with them. When possible, providing a reasonable period of time before entry into force.
- Designating an official journal or journals, which are made readily available to the public, and publishing any proposed and final measures in such journals.

Review Mechanism

- Maintaining public mechanisms for the correction of administrative actions.

Attachment 2

ASEAN-U.S. Cooperation in Fostering International Investment

The Government of the United States of America and the Association of Southeast Asian Nations recognize the importance of creating and maintaining open and stable investment climates and policies in promoting sustainable economic development and growth, job creation, increased productivity, technological innovation, and competitiveness.

We therefore reaffirm our shared support for the following non-binding principles regarding international investment, which we believe are essential elements that provide general guidance for developing and maintaining open investment policies worldwide. ASEAN and the United States agree to undertake increased cooperation, including capacity building, and provision of technical assistance.

We share the view that these elements do not preclude governments from adopting and maintaining legitimate, non-discriminatory measures to pursue certain public policies.

1. Open and Non-Discriminatory Investment Climates: Governments should, subject to limited exceptions, provide broad market access to foreign investors and allow them to establish investments and conduct business on terms no less favorable than those available to domestic investors or other foreign investors.

2. A Level Playing Field: Governments should seek to enhance their understanding of the concrete challenges posed by state influence in relation to commercial enterprises, which is playing an increasingly significant role in the global economy, and work to coordinate their approaches to address these challenges.

To this end, we recognize work in the area of “competitive neutrality”, which focuses on the importance of state-owned entities and private commercial enterprises being subject to the same external environment and competing on a level playing field in a given market.

3. Strong Protection for Investors and Investments: Governments should provide legal certainty and protection against discriminatory, arbitrary, and otherwise unfair or harmful treatment to all investors and investments, including both tangible and intangible property, such as intellectual property rights, in their territories. This includes the right to prompt, adequate, and effective compensation in the event of a direct or indirect expropriation or nationalization.

4. Fair and Effective Dispute Settlement: Governments should provide access to effective dispute settlement procedures, including investor-to-State arbitration, and ensure that such procedures are open and transparent, with opportunities for public participation, as available.

5. Robust Transparency and Public Participation Rules: Governments should seek to ensure transparency and public participation in the development of domestic laws and other measures relating to investment.

6. Responsible Business Conduct: Governments should urge that multinational enterprises operate in a socially responsible manner and promote responsible business conduct, as reflected in instruments such as the OECD Guidelines for Multinational Enterprises.

7. Narrowly-Tailored Reviews of National Security Considerations: Governments should ensure that their reviews, if any, of the national security implications of foreign investments focus exclusively on genuine national security risks.