



MEDIA RELEASE

49TH ASEAN ECONOMIC MINISTERS' MEETING AND RELATED MEETINGS 7 – 11 SEPTEMBER 2017, PASAY CITY, THE PHILIPPINES

The 49th ASEAN Economic Ministers' Meeting (AEM) and Related Meetings officially commenced on 7 September 2017 in Pasay City, Manila, the Philippines. The Malaysian delegation was led by YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry.

2. The AEM as the pinnacle of the Economic Pillar meet once a year to evaluate, mandate and provide guidance to the Senior Economic Officials from the ASEAN Member States (AMS) in achieving the specific goals outlined under the ASEAN Community Vision 2025. Under its 2017 theme "Partnering for Change, Engaging the World", ASEAN have adopted "To Promote Inclusive, Innovation-led Growth" as its economic pillar's thematic priority.
3. Throughout the five-day meeting, a wide range of areas related to the broadening and deepening of economic integration within the region were deliberated. The main coverage includes:
 - review of ASEAN's overall economic performance;
 - status of the implementations of 2017 annual priorities under the AEC Blueprint 2025 strategic action plan;
 - mechanism to monitor, reduce and eliminate the trade distortive Non-Tariff Measures (NTMs);
 - regional integration through Free Trade Agreements;
 - connectivity and progress of integration in various economic sectors; and
 - technical assistance and capacity building initiatives.

ASEAN INTERNAL AFFAIRS

4. Discussions on ASEAN internal economic related affairs were held on 7 September 2017 at the 31th ASEAN Free Trade Agreement (AFTA) Council, the 20th ASEAN Investment Area (AIA) Council and the 49th AEM Meeting.
5. The 31th AFTA Council continues to discuss issues related to tariff commitments and applicable rules under the ASEAN Trade in Goods Agreement (ATIGA). Efforts are on-going to reduce and eventually eliminate the identified Non-Tariff Barriers (NTBs) and Non-Tariff Measures (NTMs) within the AMS. Malaysia in particular, continues to play an active role especially in championing the efforts to resolve the long-standing issues of NTBs and NTMs.
6. To date, out of the total 74 reported NTMs/NTBs, 54 cases have been resolved. The Ministers underlined the importance of the ASEAN Solutions for Investments, Services, and Trade



7. (ASSIST), an internet-based and business-friendly facility launched during Malaysia's Chairmanship of ASEAN in 2015, to handle complaints by ASEAN enterprises.
8. In realising the AEM mandate to double the intra-ASEAN trade by 2025, the Ministers noted the on-going initiatives by ASEAN, particularly the ASEAN Single Window which has been implemented since 1 August 2017 and work currently undertaken by ASEAN in adhering to the ASEAN-Wide Self-Certification Scheme deadline by 2018.
9. On ASEAN trade facilitation, the Ministers noted the completion of the AEC 2025 Trade Facilitation Strategic Action Plan (ATF-SAP) for 2017-2025, and reaffirmed the target of 10% reduction in trade transaction costs by 2020.
10. On standards and conformance, ASEAN achieved one of its 2017 priorities with the signing of the ASEAN Sectoral Mutual Recognition Arrangement (MRA) for Inspection and Certification Systems on Food Hygiene for Prepared Foodstuff Product.
11. The 20th AIA Council meanwhile highlighted the substantial progress made to implement the AEC Blueprint, including the Second and Third protocols to amend the ASEAN Comprehensive Investment Agreement (ACIA). YB Dato' Sri Mustapa Mohamed during the meeting called on AMS to enhance collaboration among national investment agencies, at both bilateral and regional levels; and to further enhance the comprehensiveness and accuracy of database on investment statistics.
12. On the backdrop of uncertainties surrounding global economic recovery, the rising trends of protectionism and global policy uncertainties, the 49th AEM Meeting exchanged views on global and regional developments as well as the progress made in implementing the ASEAN Economic Community (AEC) Blueprint 2025. The Ministers reaffirmed ASEAN's commitment to open regionalism and the AEC 2025 agenda.

ASEAN EXTERNAL ECONOMIC RELATIONS

13. As part of ASEAN integration agenda, the Ministers during the 49th AEM Meeting had undertaken consultations with the following dialogue partners:
 - 6th AEM – Canada Consultations;
 - 16th AEM – MOFCOM Consultations;
 - 14th AEM – ROK Consultations;
 - 2nd AEM – Hong Kong, China Consultations;
 - AEM – USTR Consultations;
 - 22nd AEM – CER Consultations;



- 5th East Asia Summit;
- 23rd AEM – METI Consultations;
- 20th AEM Plus Three Consultations;
- 6th AEM – Russia Consultations; and
- 14th AEM – India Consultations.

ASEAN-HONG KONG, CHINA FREE TRADE AGREEMENT (AHKFTA) AND ASEAN-HONG KONG, CHINA INVESTMENT AGREEMENT (AHKIA)

14. Among the key notable achievements is the announcement of the conclusion of the AHKFTA and AHKIA negotiations during the 2nd AEM-Hong Kong Consultations. For Malaysia, Hong Kong, China was the 9th largest trading partner in 2016 with total merchandise trade of USD12.1 billion or 3.4 per cent of Malaysia's total trade. Total approved investments from HKC into Malaysia in 2016 amounted to USD59 million.
15. Separately, the 6th AEM-Canada Consultations endorsed the Terms of Reference for a Joint Feasibility Study toward an ASEAN-Canada Free Trade Agreement. The Ministers further agreed during the consultation to launch exploratory discussions, to examine the potential for an ASEAN-Canada FTA.
16. During the AEM-India Consultations, the Ministers noted that the trade between ASEAN and India remain modest despite the implementation of ASEAN-India Trade in Good Agreement since 2010. Malaysia stressed that while the governments make efforts to open market and facilitate trade through the ASEAN-India Free Trade Agreement, private sectors should take the opportunities created to increase trade between ASEAN and India.
17. Under the ASEAN Plus Three engagement, the Ministers noted ASEAN-China Centre, ASEAN-Japan Centre and ASEAN-Korea Centre's respective works in supporting the development of MSMEs. Their continued commitments to assist the MSMEs in integrating them with large corporations through regional production network and global value chain were commended.

THE 5TH RCEP MINISTERIAL MEETING

18. The 5th RCEP Ministerial Meeting was held on 10 September 2017 in Pasay City, Philippines. The Ministers from the 16 participating countries noted the progress made since the 3rd RCEP Intersessional Ministerial Meeting on 21-22 May 2017 in Ha Noi, Viet Nam.
19. The Ministers reiterated their statement from Ha Noi that political commitments are now urgently needed to be translated into action, with wider mandates where necessary, and agreed to make utmost effort to achieve significant outcomes of the RCEP by end of 2017 to bring negotiation closer to its successful conclusion.



20. The Ministers reiterated the objective of the RCEP is for a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement. The Ministers also reiterated that RPCs should continue improving market access offers through positive and constructive responses to requests. The Ministers emphasised the need to strengthen trade-facilitating rules so as to contribute to the realisation of the immense potential of the RCEP. At the same time, the Ministers underscored that successful RCEP negotiations would require arriving at a landing zone that is mutually agreeable by all RPCs.
21. Noting that the substantial conclusion of the RCEP had been identified as a priority deliverable for ASEAN's milestone year of its 50th anniversary, the Ministers also recognised the scale of the remaining work and called on all RPCs to focus both efforts and resources to maximise progress towards significant outcomes.
22. The Ministers highlighted that the successful conclusion of the RCEP will lead to the creation of the world's largest trade bloc, covering nearly one third of the global economy in 2016, and underscored the immense potential for the RCEP to serve as an engine for global growth. The Ministers reiterated the commitment by RPCs to effective stakeholder engagement, so as to ensure that RCEP is inclusive and beneficial to all stakeholders.

ASEAN TRADE AND INVESTMENT DATA

23. ASEAN's merchandise trade in 2016 was recorded at US\$2.22 trillion, of which 23.5% was intra-ASEAN. Among ASEAN's Dialogue Partners, China, the EU and Japan ranked as the region's top three trading partners. On the other hand, Foreign Direct Investment (FDI) to ASEAN reached US\$96.72 billion in 2016, 24.8% of which was intra-ASEAN. The top three sources of FDI inflows to the region are the EU, Japan, and the US.

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**Ministry of International Trade and Industry
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About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

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