



**THE 47th ASEAN ECONOMIC MINISTERS' (AEM) MEETING
22 August 2015, Kuala Lumpur, Malaysia**

JOINT MEDIA STATEMENT

1. The 47th Meeting of the ASEAN Economic Ministers (AEM) was held on 22 August 2015 in Kuala Lumpur, Malaysia. It was chaired by HE Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry, Malaysia. The 47th AEM was preceded by a preparatory meeting of the Senior Economic Officials. The AEM also held joint meetings with the 29th ASEAN Free Trade Area (AFTA) Council and the 18th ASEAN Investment Area (AIA) Council.

2. The Ministers exchanged views on the recent global developments and the impact on the region. They highlighted that ASEAN's economy has remained relatively resilient in the midst of global uncertainties, foreign exchange volatilities and the subdued post-global financial crisis recovery and the need to remain vigilant. The Ministers underscored the significance of the year 2015 as a key milestone in ASEAN's community building process. Noting the challenges faced collectively by the region as well as by individual ASEAN Member States, the Ministers expressed ASEAN's continued resolve to establish the ASEAN Economic Community (AEC) at the end of this year and its commitment towards deeper integration under the AEC post-2015 agenda.

Economic Performance

3. In reviewing ASEAN's economic performance, the Ministers were encouraged to note that ASEAN's integration efforts have contributed to stronger confidence in the region, and consequently to its economic performance since the adoption of the ASEAN Economic Community (AEC) Blueprint in 2007. The Ministers also highlighted that the region's collective GDP passed the US\$2.57 trillion mark in 2014, with a near doubling of average per capita GDP between 2007 and 2014 to reach US\$4,130 in 2014.

4. The Ministers further welcomed the strong growth in ASEAN's exports, which rose by more than 50 per cent since 2007 to US\$1.3 trillion in 2014. Ministers noted the evolving profile of ASEAN's external trade partners, with China emerging as the top destination for ASEAN exports since 2011, standing at US\$150.4 billion or 11.6 per cent of total exports. This was closely followed by EU-28 at 10.2 per cent, the United States at 9.5 per cent, and Japan at 9.3 per cent. Intra-ASEAN exports remained resilient at 25.5 per cent of ASEAN's total exports, which put ASEAN collectively on the top of other individual trading partners. Intra-regional trade continued to support ASEAN Member States strong outward orientation in trade as well as the development of regional production networks.

5. The Ministers were also upbeat over the robust foreign direct investment (FDI) inflows in 2014, which outperformed other regions of the world. Preliminary ASEAN statistics put total FDI inflows to the region in 2014 as the highest to date at US\$136.2 billion, amounting to 160 per cent of the pre-crisis level inflows in 2007 when the AEC Blueprint was first adopted. The European Union (EU-28) remained the top source of FDI to the region, accounting for 21.5 per cent of the total FDI to the region. Japan was the second largest, at 9.8 per cent, followed by the United States at 9.6 per cent and China at 6.5 per cent. Intra-ASEAN FDI also continued to grow and accounted for an increasing share of total FDI inflows to the region, reaching 17.9 per cent or US\$24.4 billion in 2014 as compared to only 11.3 per cent in 2007. This strong growth of intra-ASEAN investment reflects the positive impact of ASEAN economic integration on stimulating investment within the region.

6. Notwithstanding ASEAN's relatively robust economic performance, the Ministers acknowledged that the region is not immune from external dynamics and shocks, from lower growth environment in the developed countries to heightened volatilities in the global financial and exchange markets. The Ministers re-affirmed ASEAN's commitment to continue the integration process and build on the region's collective strengths and potentials towards a high-growth, sustainable and resilient economic community. Moving forward, the Ministers were encouraged by the latest forecast that global growth in 2015 will remain solid at 3.3 per cent and strengthen to 3.8 per cent in 2016. ASEAN's own growth prospects are thus expected to be positively impacted, growing by 4.6 per cent in 2015 and 5.1 per cent in 2016. Nevertheless, export growth in the region is expected to remain modest in 2015, reflecting softer growth prospects of ASEAN's major trading partners as well as further consolidation of world trade growth.

Implementation of the ASEAN Economic Community (AEC) Blueprint

7. The Ministers welcomed continued progress in the implementation of the AEC Blueprint. The Ministers noted that 91.5 per cent or 463 out of the 506 prioritised AEC Blueprint measures have been implemented.

8. The Ministers called for maximum effort to be exerted to expedite the implementation of the pending measures, particularly the remaining high priority measures. The Ministers observed that there may be challenges in completing some of the key measures in the AEC scorecard within the year. Notwithstanding that, efforts shall be continued towards their full implementation under the post-2015 agenda by the end of 2016.

9. Underscoring the imperative of stakeholder awareness and understanding of the AEC to realise its benefits and potentials, the Ministers also tasked senior officials to step up communications efforts in the run-up to the launch of the AEC 2015. Towards this end, the Ministers welcomed the preparation of the AEC Scorecard Report, which is aimed at providing the general public with the progress and achievements of the implementation of the AEC Blueprint, as well as the ASEAN Integration Report 2015, a comprehensive technical report on the progress and impact of the AEC, both of which are planned for launching at the margin of the 27th ASEAN Summit.

Trade in Goods

10. The Ministers expressed ASEAN's continued commitment towards efforts to enhance trade facilitation. This is done through various initiatives including Self-Certification, ASEAN Trade Repository, ASEAN Solutions for Investments, Services and Trade (ASSIST), ASEAN Single Window, Standards and Conformance.

Self-Certification

11. In order to ensure that the benefits of a liberalised tariff regime continue to bring gains to the business sector, especially the SMEs, the Ministers welcomed the progress in operationalising the Self-Certification Pilot Projects. The key elements of the ASEAN-wide Self-Certification are being developed and will be fully implemented in 2016 to allow businesses to save costs and time when operating in the region.

ASEAN Trade Repository

12. The Ministers were pleased to note the significant progress made on the establishment of the ASEAN Trade Repository (ATR) which will be launched by the ASEAN Summit in November 2015. The ATR will serve as an interface to link ASEAN Member States' National Trade Repositories (NTRs), providing a one-stop online database containing all ASEAN trade-related information, thus significantly enhancing and improving information access to the private sector including the micro, small and medium enterprises (MSMEs).

ASEAN Trade Facilitation Joint Consultative Committee

13. The Ministers continued to emphasise the importance of ASEAN's initiatives to address the non-tariff measures. To this end, they welcomed the reactivation of the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC) comprising both the public and private sectors. The inclusion of private sector members will ensure that the voice of business community is heard and taken into consideration in resolving their concerns.

ASEAN Solutions for Investments, Services and Trade

14. The Ministers also supported the initiative to revitalise the consultation mechanism through the establishment of ASEAN Solutions for Investments, Services and Trade (ASSIST). ASSIST is designed to be an internet-based and business-friendly facility for receiving, processing and responding to complaints submitted by ASEAN enterprises.

ASEAN Single Window

15. While welcoming the commencement of the implementation of the full-fledged ASEAN Single Window (ASW) Pilot Project Component 2, the Ministers stressed the importance of timely completion of the full-fledged pilot testing of the ASW and the evaluation of the ASW Pilot Project by 2015.

ASEAN Customs Transit System

16. Further measures have also been taken to facilitate movement of goods. These include the finalisation of Protocol 2 (Designation of Frontier Posts) of ASEAN Framework Agreement on Facilitation of Goods in Transit (AFAFGIT) and the signing of Protocol 7 (Customs Transit System) of AFAFGIT. The Ministers stressed that the ratification processes for these two Protocols be expedited to pave the way for the implementation of the ASEAN Customs Transit System Pilot Project by 2016.

Standards and Conformance

17. In facilitating greater trade among ASEAN Member States, ASEAN remains committed to the reduction of technical barriers to trade to enhance market integration and facilitation, for a conducive business environment. The Ministers welcomed progress in the harmonisation of standards, mutual recognition arrangements and regulatory coherence, in particular the signing of the ASEAN Medical Device Directive in November 2014, complementing the ASEAN Harmonised Cosmetics Regulatory Scheme and the ASEAN Harmonised Electrical and Electronics Equipment Regulatory Regime.

18. The Ministers welcomed the development of the ASEAN Guidelines on Harmonisation of Standards, the ASEAN Guidelines for the Development of Mutual Recognition Arrangements (MRA), the ASEAN Policy Guidelines on Conformity Assessment, the ASEAN Common Food Control Requirements and common procedures on legal metrology verifications that have been put in place to provide common approaches for ASEAN Member States in these areas.

19. In line with the integration of priority sectors, the Ministers noted the progress on the harmonisation of technical requirements on automotive, medical devices, cosmetics, electrical and electronics, pharmaceuticals, and prepared foodstuff, traditional medicines and health supplements, which have been developed by the sectors concerned as common requirements among the ASEAN Member States.

Investment

20. With ASEAN continuing to be the preferred investment destination given the growth of its markets and conducive policies, the Ministers re-affirmed their commitment to continue building ASEAN as a single investment destination. They welcomed the progress of the implementation of the ASEAN Comprehensive Investment Agreement (ACIA), which serves as ASEAN's main economic instrument in realising the free flow of investment. In particular, the Ministers endorsed the recommendations of the senior officials on the built-in-agenda of the ACIA, which would further enhance the implementation and effectiveness of the Agreement. The Ministers tasked the officials to prepare the necessary legal instruments to put into effect the required amendments to the ACIA.

21. The Ministers welcomed the completion of the endorsement of the revised ACIA reservation lists of Brunei Darussalam, Indonesia, Lao PDR and Myanmar, which will pave

the way towards further improvement of their investment regimes. These revised reservation lists will enter into force upon completion of the ratification process by all ASEAN Member States for the Protocol to Amend ACIA, which was signed in 2014.

22. The Ministers commended the continued efforts of ASEAN Member States to further improve their respective investment regimes through economic reform and the various facilitation initiatives, including the on-going projects on investment promotion and facilitation. The continuing involvement of the ASEAN Member States in Investment Policy Review conducted by the Organisation for Economic Cooperation and Development (OECD) also signified the commitment of ASEAN to transparency in its investment regimes as well as to its efforts to further facilitate investment into the region. The Ministers noted that the ASEAN Investment Report 2014-2015, to be published in collaboration with UNCTAD, will be launched during the ASEAN Business Investment Summit in November 2015.

Trade in Services

23. The Ministers looked forward to the completion of the signing of the Protocol to implement the Ninth Package of Specific Commitments under the ASEAN Framework Agreement on Services (AFAS). This paves the way towards completion of the Tenth AFAS Package to contribute towards the realisation of the free flow of services under the ASEAN Economic Community 2015.

ASEAN Qualifications Reference Framework (AQRF)

24. The Ministers welcomed the endorsement of the ASEAN Qualification Reference Framework (AQRF) by the ASEAN Education Ministers, the ASEAN Labour Ministers, and the ASEAN Economic Ministers. They recognised that this marked another step forward towards the AEC goal of free flow of skilled labour. The Ministers looked forward to the process of finalising the implementation document by the Task Force on AQRF.

Intellectual Property (IP)

25. The Ministers recognised the recent progress towards reducing the turnaround time for trademark processes. They took note of the adoption of the Common Guidelines on Substantive Examination and the finalisation of the ASEAN List of Goods and Services. The Ministers were pleased with the launch of the ASEAN TMview, ASEAN TMclass, the ASEAN Designview databases which are on-line search tools that will contribute towards improving the quality of the services provided in the area of trademarks and industrial designs. The Ministers welcomed the accession of Cambodia to the Madrid Protocol for the International Registration of Trademarks, becoming the fourth ASEAN Member State to do so after Philippines, Singapore and Viet Nam.

26. The Ministers also welcomed the recent launch of the electronic platform for the ASEAN Patent Examination Cooperation (ASPEC) programme. The e-ASPEC platform allows

electronic submissions of patent applications under the ASPEC programme which is a regional work sharing initiative that provides for expedited processing of patent applications within ASEAN.

27. The Ministers further welcomed the development of the ASEAN IPR Strategic Action Plan 2016-2025 (AIPSAP). It includes action lines that support a strengthened and business-friendly IP environment and regional platforms which promotes enhanced alignment of IP laws, processes and procedures to reflect an integrated ASEAN.

Competition Policy

28. The Ministers re-affirmed the commitment to build a competitive ASEAN. In this regard, they were pleased with the recent enactment of comprehensive competition laws in Brunei Darussalam and the Philippines, bringing the total to eight ASEAN Member States with competition laws and thus exceeding the target of seven ASEAN Member States with such laws.

29. The Ministers appreciated the continuing efforts to build capacity of ASEAN Member States in competition law enforcement and competition advocacy. They welcomed the inputs of experts and officials into the development of the ASEAN Competition Action Plan (ACAP) 2025 during the 5th ASEAN Competition Conference on 4-5 June 2015 in Ho Chi Minh City, Viet Nam. They were pleased to note the completion of ACAP 2025 in July 2025 with its five strategic goals that are supportive of the overarching vision of a competitive, innovative, and dynamic ASEAN with an effective and progressive competition policy.

Consumer Protection

30. In furtherance of a people-oriented ASEAN, the Ministers were pleased to note that consumer protection laws are now available in nine ASEAN Member States. They welcomed efforts to ensure consumer advocacy continues to be a priority. Towards this end they noted the development of public awareness models for consumer protection aimed at supporting the establishment of a systematic approach towards enhancing consumer protection awareness. In addition, they commended the completion of twenty policy digests in August 2015, of which the first 12 have been published as a compendium entitled '*Consumer Protection Digests and Case Studies: A Policy Guide (Volume I)*'.

31. They welcomed the partnership with UNCTAD and the ASEAN-Australia Development Cooperation Programme II (AADCP II) to design, develop and deliver training programmes/modules in six core areas covering Phone and Internet Services, and E-commerce; Product Safety and Labelling; Environment; Consumer Credit; Healthcare Services; and Professional Services to further enhance the capacity of officials to promote consumer protection.

Small and Medium Enterprises

32. SMEs remained one of the key stakeholders in ASEAN integration. In supporting SMEs' role in ASEAN integration, the Ministers recognised the continuing efforts to improve SMEs access to information, markets, finance and human capital development.

33. In enhancing SMEs access to information, the Ministers welcomed the development of the ASEAN SME Service Web Portal, the launch of the Directory of Outstanding ASEAN SMEs 2015, and the recent publication of the three information packs on ASEAN integration in the areas of tariffs, rules of origin and customs procedures. The Ministers were pleased with efforts to promote SME access to markets through the provision of dedicated training to SMEs on supply chain integration in the areas of textiles, footwear, electronics, automotive and healthcare. They welcomed the development of the "ASEAN Benchmark for SME Credit Rating Methodology" which is aimed at the reduction in asymmetric information between SMEs and the bank lenders as well as the grant competition for the conduct of policy studies on key aspects of the SME access to finance and financial literacy.

34. The Ministers commended the completion of the ASEAN Strategic Action Plan for SME Development (SAP SMED) 2016-2025. They welcomed the addition of initiatives on micro-enterprises under the SAP SMED given the micro-enterprises' strong presence in ASEAN's economies. They further welcomed the SAP SMED's the vision of having globally competitive and innovative SMEs in ASEAN by 2025.

Initiative for ASEAN Integration

35. The Ministers re-affirmed commitment to the implementation of the Initiative for ASEAN Integration (IAI) framework and the narrowing of the development gap. They noted the CLMV Action Plan 2015 comprising activities on economic and trade as well as human resource development, including added support and technical assistance for RCEP negotiations.

ASEAN Community Statistical System (ACSS)

36. The Ministers welcomed the progress made by the ACSS Committee in advancing several initiatives on institutional strengthening under the ACSS Strategic Plan (SP) 2011-2015, including the revision of the ASEAN Framework of Cooperation in Statistics, formulation of the successor ACSS SP, implementation of the ACSS Code of Practice Self-Assessment Measures on Institutional Environment and the ACSS Communication Strategy to engage users on ASEAN regional data requirements. These mechanisms will contribute to addressing the challenges, issues, new priorities and commitments from the ASEAN Community Vision 2025, ASEAN Framework for Equitable Economic Development, and implementation of the Master Plan on ASEAN Connectivity as well as ASEAN Roadmap for the Attainment of the Millennium Development Goals. The Ministers expressed appreciation to the ASEAN Community Statistical System for its continuing efforts in enhancing the statistical capacity of the Member States and ASEAN Secretariat in order to

provide relevant, timely and comparable statistics in support of an evidence based policy and decision making in the ASEAN.

Public-Private Sector Engagement

37. The Ministers recognised the importance of engagement with the private sector in the building of the ASEAN Community. The Ministers welcomed the intensified consultations with the ASEAN Business Advisory Council (ASEAN-BAC) and the business dialogue format adopted in their consultations with dialogue partners. They appreciated ASEAN-BAC's continuing efforts in coordinating with the business councils to identify issues and concerns.

38. The Ministers also recognised the dedicated consultations between the ASEAN working groups and ASEAN-Business Advisory Council (ASEAN-BAC) as well as the other business councils. These included the ASEAN-BAC consultations with the ASEAN SME Advisory Board in May 2015 which provided inputs into the work of the SME Working Group and the SAPSMED 2016-2025. They welcomed the efforts of ASEAN-BAC to also input into the ASEAN Economic Community Blueprint 2025 ASEAN during its workshop on the *Private Sector in the Post-2015 Economic Vision of ASEAN* on 11 June 2015, Penang, Malaysia.

39. The Ministers took note of the concerns of the business community and commit to stronger information sharing and consultations with the business sector to advance ASEAN integration efforts. Towards this end, the Ministers welcomed the holding of the ASEAN Business and Investment Summit 2015 to showcase private sector's efforts to promote ASEAN as a single investment destination and to promote the benefits of ASEAN integration to business.

External Economic Relations

40. The Ministers reaffirmed the importance of building an open ASEAN that is integrated into the global economy. They welcomed the signing and entry into force of ASEAN- India Trade in Services and Investment Agreements as well as on-going work to enhance existing FTAs with dialogue partners. These include: the upgrading of the ASEAN-China FTA Agreement; finalisation of the Third Protocol to Amend the ASEAN- Korea Trade in Goods Agreement; the modality for further liberalisation of products under the ASEAN-Korea FTA; arrangements for the implementation of the Protocol to Amend the Agreement establishing the AANZFTA; and the adoption of the scope of the review of ASEAN-India Trade in Goods Agreement. The Ministers welcomed the continuing close cooperation with dialogue partners through the adoption of new trade and investment cooperation work programmes. They also welcomed the support and assistance of dialogue partners in ASEAN's internal integration programmes.

41. The Ministers welcomed the progress made in the RCEP negotiations to date, and commended the efforts made by all RCEP Participating Countries (RPCs) in moving towards market access negotiations. The Ministers noted progress in the drafting of texts on the

agreed elements under all areas of negotiation, and urged RPCs to keep the momentum in advancing the negotiations.

AEC Vision 2025

42. The Ministers expressed appreciation to the work of the High Level Task Force on ASEAN Economic Integration (HLTF-EI) and endorsed in principle the AEC Blueprint 2025, which is a document that charts the agenda for ASEAN economic integration from 2016 to 2025. The AEC Blueprint 2025 will be launched together with the 2025 Blueprints of the other two ASEAN Communities at the 27th ASEAN Summit in November. Collectively, these Blueprints will set the path for the ASEAN Community for the coming decade.

43. Under AEC 2015, ASEAN has made good progress in putting in place key frameworks and other fundamentals that are imperative for the effective functioning of the economic community. AEC 2025 will follow through on these achievements and early gains, while taking into consideration the evolving global context and other mega-trends. By 2025, the AEC is envisioned to be highly integrated and cohesive; competitive, innovative and dynamic; with enhanced economic connectivity as well as integration and cooperation across sectors; while fostering a more resilient, inclusive, and people-oriented, people-centred community that is integrated into the global economy.

Technical Assistance and Capacity-Building

44. ASEAN's integration efforts have been strongly supported through technical assistance and capacity building rendered by dialogue and development partners. This cooperation covers key projects under the trade in goods, services and investment, competition, consumer protection, SMEs, statistics, agriculture and the initiative for ASEAN integration. Ministers expressed appreciation to the assistance provided under the AADCP II, the ASEAN Regional Integration Support from the EU (EU-ARISE), the EU-ASEAN Capacity Building Programme for Monitoring Integration Progress and Statistics (EU-ASEAN COMPASS), the US ASEAN Connectivity through Trade and Investment (ACTI), the German Federal Ministry for Economic Cooperation and Development (BMZ) projects as implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the support provided by the Asia Development Bank, the World Bank, International Monetary Fund (IMF) and Research Institute for ASEAN and East Asia (ERIA).

LIST OF MINISTERS

- (i) **The Hon. Pehin Dato Lim Jock Seng**, Second Minister of Foreign Affairs and Trade, Brunei Darussalam
- (ii) **H.E. Pan Sorasak**, Secretary of State, Ministry of Commerce, Cambodia (representing H.E. Sun Chantol, Senior Minister and Minister of Commerce, Cambodia)
- (iii) **H.E. Ms. Nguon Sokha**, Secretary of State, Ministry of Economy and Finance, Cambodia
- (iv) **Dr. Sar Senera**, Director, Council for the Development of Cambodia (representing H.E. Sok Chenda Sophea, Minister for the Council for the Development of Cambodia)
- (v) **H.E. Thomas Trikasih Lembong**, Minister of Trade, Indonesia
- (vi) **Mr. M.M. Azhar Lubis**, Deputy Chairman of Indonesia Investment Coordinating Board (representing H.E. Franky Sibarani, Chairman of Indonesia Investment Coordinating Board)
- (vii) **H.E. Mrs. Khemmani Pholsena**, Minister of Industry and Commerce, Lao PDR
- (viii) **H.E. Dato' Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
- (ix) **H.E. Dr. Kan Zaw**, Union Minister for National Planning and Economic Development, Myanmar
- (x) **H.E. Gregory L. Domingo**, Secretary of Trade and Industry, the Philippines
- (xi) **H.E. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
- (xii) **Mr. Thawatchai Sophastienphong**, Director-General of the Department of Trade Negotiations, Ministry of Commerce, Thailand (representing H.E. Gen. Chatchai Sarikulya, Minister of Commerce, Thailand)
- (xiii) **Mr. Chokedee Kaewsang**, Deputy Secretary General of the Board of Investment, Thailand (representing H.E. M.R. Pridiyathorn Devakula, Deputy Prime Minister, Thailand)
- (xiv) **H.E. Nguyen Cam Tu**, Deputy Minister of Industry and Trade, Viet Nam
- (xv) **H.E. Le Luong Minh**, Secretary-General of ASEAN