



MEDIA RELEASE

THIRD REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP INTERSESSIONAL MINISTERIAL MEETING 21-22 MAY 2017, HANOI, VIETNAM

1. The Third Regional Comprehensive Economic Partnership (RCEP) Intersessional Ministerial Meeting was held from 21-22 May 2017 in Hanoi, Vietnam with the attendance of Ministers and Vice Ministers from ASEAN, Australia, New Zealand, China, Japan, Korea and India. The 1st RCEP negotiation round was held in Brunei Darussalam in 2013 and 18 rounds of negotiations at the level of senior officials have been held since.
2. The convening of the Intersessional Ministerial Meeting was to take stock of the status of RCEP negotiations including the challenges faced and to provide political guidance to the negotiators on key outstanding areas namely goods, services and investment and in the rules, with the view to push for a timely conclusion of RCEP negotiations. The negotiations are progressing at a moderate pace and a number of challenges were addressed at the Hanoi meeting.
3. Since the launch of RCEP negotiations during the 21st ASEAN Summit in Phnom Penh, Cambodia in November 2012, the Ministers have been continuously involved in the negotiating process. To date, the Ministers have met formally four times and three times intersessionally, including this meeting in Hanoi.
4. The Ministers acknowledge that RCEP is currently the only mega FTA negotiated globally and are of the view that efforts must be exerted to conclude the negotiations expeditiously. The Ministers shared the view that the RCEP should achieve balanced outcomes that will provide the greatest benefits for each participating country. There is also agreement that the conclusion and implementation of RCEP will be a boost to growth momentum in the region, especially as RCEP involves countries that are among the fastest growing economies in the world. Collectively an integrated market of 3.5 billion or 50% of the world's population will also boost global trade amidst the subdued global economic environment.
5. Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry with the Ministers from Singapore and Vietnam apprised the meeting on issues and challenges faced in achieving consensus on certain elements of the modalities related to goods, services and investment respectively. The Ministers agreed to provide flexibilities to bridge the gaps given that it will be difficult to reach consensus given the different levels of economic development of participating countries.
6. "These flexibilities are allowed in the initial stage to cater to the different levels of ambition of the RCEP member countries. This does not in any way undermine our commitment to ensure that RCEP remains a quality agreement and commercially beneficial to all parties involved," said Dato' Sri Mustapa.



7. ASEAN Ministers also highlighted to the negotiating partners that in many areas, ASEAN has made substantial levels of commitment and in some instances going beyond any of the current ASEAN+1 FTAs.
8. Dato' Sri Mustapa stated that "the willingness of ASEAN to go beyond the existing ASEAN+1 FTA is due to RCEP's value and its economic significance to ASEAN and the partner countries. It also demonstrates the strong commitment of ASEAN to engage the partner countries in creating this mega FTA".
9. The Ministers had also discussed extensively a number of "rules based " issues. The Ministers agreed that some working groups such as the WG on Rules of Origin on Trade in Goods should be allowed to meet intersessionally to expedite their work given that the work done and rules developed are highly technical.
10. In Hanoi, the Ministers achieved some progress in the negotiations and expressed confidence that the negotiations remained on track. It is also one of the Philippines' deliverables as Chair of ASEAN 2017.
11. A number of progress were made in all areas of negotiations and to date, two out of 20 chapters of the RCEP Agreement namely on economic and technical cooperation, and on SMEs have been concluded. Some of the remaining chapters are nearing conclusion.
12. Senior officials will be meeting for the 19th round of negotiations in Hyderabad, India scheduled on 19-28 July 2017. Meanwhile, the Ministers will be meeting in September 2017 in the Philippines to further review the progress and any specific issues that remain unresolved and need Ministerial guidance.

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Ministry of International Trade and Industry (MITI)

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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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