



**THE 52nd ASEAN ECONOMIC MINISTERS' (AEM) MEETING
25 August 2020, Virtual Meeting**

JOINT MEDIA STATEMENT

1. The 52nd Meeting of the ASEAN Economic Ministers (AEM) was held virtually on 25 August 2020. It was chaired by H.E. Tran Tuan Anh, Minister of Industry and Trade of Viet Nam. The 52nd AEM was preceded by a preparatory meeting of the ASEAN Senior Economic Officials (SEOM). The AEM also held joint meetings with the 34th ASEAN Free Trade Area (AFTA) Council and the 23rd ASEAN Investment Area (AIA) Council.

2. The Ministers exchanged views on global and regional developments, including the economic impact of the Coronavirus Disease (COVID-19) pandemic. The Ministers also reviewed the implementation of the ASEAN Economic Community (AEC) Blueprint 2025, the progress on the 13 Priority Economic Deliverables (PEDs) under Viet Nam's Chairmanship of ASEAN in 2020, as well as developments in ASEAN's external economic relations.

Regional and Global Developments

3. The Ministers acknowledged that the ASEAN economy performed well in 2019, growing by 4.6% amidst continued trade tensions and heightened uncertainties, but also recognised that a recession is anticipated this year as the COVID-19 pandemic considerably impacts economic activities in the region and worldwide.

4. The Ministers noted a slight drop of 0.3% in the region's total merchandise trade in 2019, bringing it to USD 2,815.2 billion. Intra-regional trade continued to account for the largest share with 22.5%, followed by China (18.0%), the US (10.5%), and EU28 (10.0%). The Ministers were pleased to note that foreign direct investments (FDI) rebounded by 4.9% to USD 160.6 billion in 2019, from a drop of 1.2% in 2018. The Ministers however acknowledged that with the COVID-19 pandemic trade and investments will likely register deep contractions and productive economic activities within the region will experience a sharp fall during the year. To this end, the Ministers reaffirmed the importance of keeping the markets open for trade and investment to strengthen the resiliency and sustainability of regional supply chains and maintain necessary flow of goods and services. Consistent with the rights and obligations under the WTO covered agreements and the ASEAN Trade in Goods Agreement (ATIGA), the Ministers agreed to refrain from taking unnecessary measures that may affect the smooth flow of essential goods such as food, commodities, medicines and medical supplies in the region, and will

notify all trade-restrictive measures in compliance with existing WTO rules and ATIGA. The Ministers also expressed their commitment to make utmost efforts to ensure the continued flow of trade in goods and services, especially for essential goods and services

5. The Ministers welcomed the outcomes of the 36th ASEAN Summit on the COVID-19 related initiatives, notably on the commencement of the development of an ASEAN Comprehensive Recovery Framework, which would be holistic, robust, inclusive, pragmatic, and committed to contribute to the implementation of the framework. The Meeting further reiterated their resolve to work together to mitigate the impact of the pandemic on the economy and on people's lives. As part of this effort, the Ministers tasked the concerned sectoral bodies and called upon all AMS to implement the Ha Noi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic.

AEC 2025

6. The Ministers welcomed the good progress in the on-going Mid-Term Review (MTR) of the AEC Blueprint 2025. Reiterating the importance of the MTR in strengthening the implementation of the ASEAN economic integration agenda and in ensuring the relevance and effectiveness of the various initiatives across the five AEC characteristics, the Ministers looked forward to the completion of the preliminary MTR Report this year and the final report in early 2021. The Ministers called upon all sectoral bodies under AEC to actively support and contribute to the exercise. The Ministers noted with appreciation the support from the ARISE-PLUS to the MTR exercise.

Priority Economic Deliverables under Viet Nam's Chairmanship of ASEAN

7. The Ministers commended the progress in the implementation of the 13 PEDs under Viet Nam's Chairmanship, under the main theme of "Cohesive and Responsive". In particular, the Ministers welcomed the completion of 2 out of 13 deliverables namely:

- (a) ASEAN Digital Integration Index, which was adopted to serve as a tool to measure ASEAN's digital integration efforts under the ASEAN Digital Integration Framework.
- (b) The finalisation of the Terms of Reference for the establishment of an ASEAN Network of Innovation Centres, which will serve as a mechanism to promote collaboration among innovation centres in ASEAN and foster the growth of start-ups and innovation ecosystems regionally and globally.

The Ministers looked forward to the timely implementation of the rest of the PEDs by the relevant sectoral bodies.

Fourth Industrial Revolution

8. The Ministers noted with appreciation the support from the ASEAN Australia Development Cooperation Programme (AADCP) Phase 2 to the development of the Consolidated Strategy on the Fourth Industrial Revolution (4IR) for ASEAN. The Ministers recognised that digital technologies have played an important role to keep people and businesses connected during the pandemic and will continue to do so beyond. The Ministers acknowledged the significance of the Strategy with its ability to embrace and utilise digital technologies will be key to ASEAN's growth and hence in this regard. The Ministers emphasised that the process for the development of the consolidated strategy should be holistic and inclusive, taking a whole-of-community approach, and take into consideration businesses/industries inputs.

Trade in Goods

9. The Ministers welcomed the implementation of the ASEAN-wide Self-Certification Scheme which would commence on 20 September 2020.

10. The Ministers noted the progress of the studies undertaken as part of the General Review of the ATIGA and urged all AMS to intensify their efforts to complete the consolidated final report by 2021.

Trade Facilitation

11. The Ministers noted the continuing efforts toward the twin goals of reducing trade transaction costs by 10% by 2020 and doubling intra-ASEAN trade between 2017 and 2025 and looked forward to the implementation of the 2nd Phase of the ASEAN Seamless Trade Facilitation Indicators – Trade Transaction Costs (ASTFI-TTC) to examine the extent to which trade facilitating measures have been implemented since the baseline study and calculate the reduction in trade transaction cost in ASEAN between 2018 and 2020.

12. The Ministers commended the AMS on the implementation of the Guidelines for the Implementation of ASEAN Commitments on Non-Tariff Measures on Goods (NTM Guidelines), which was endorsed at the AEM-32nd AFTA Council in 2018. The Ministers noted that AMS are discussing some initiatives to address the trade barrier effects of NTMs in the region. The Ministers welcomed the development of the e-Platform for Consultations with the Private Sector that would support and facilitate consultations between relevant ASEAN sectoral bodies and the private sector.

ASEAN Customs Integration

13. The Ministers welcomed the steady progress made in Customs integration for the secured seamless flow of goods and to enhance trade facilitation in ASEAN, namely: (i) the successful launch of the Philippines' Authorised Economic Operator (AEO) programme in December 2019 while the remaining AMS¹ endeavour to implement their AEO programmes in 2020; (ii) the preliminary work undertaken in the establishment of an ASEAN AEO Mutual Recognition Arrangement (AAMRA) on a pathfinder approach with the six AMS² with operational national AEO programmes targeted by 2023 and the remaining AMS by 2025; (iii) the ASEAN Customs Transit System (ACTS) pilot *Live Run* among the pilot Participating Member States³ that is underway and the subsequent Full Live Operation once the situation permits; and (iv) the ongoing review of the ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 and the development of the AHTN 2022 version in accordance with the World Customs Organization (WCO) Harmonized System (HS) 2022 version and with scheduled implementation in January 2022. The AHTN ensures uniformity, transparency and simplification in the classification of goods in the region.

14. The Ministers welcomed the live exchange of the ATIGA electronic Form D (ATIGA e-Form D) through the ASEAN Single Window among the 10 AMS and looked forward to the live exchange of the ASEAN Customs Declaration Document (ACDD).

Standards and Conformance

15. The Ministers were pleased with the finalisation and imminent signing of the ASEAN Mutual Recognition Arrangement (MRA) on Type Approval for Automotive Products, the completion of the negotiations of the ASEAN Agreements on Regulatory Framework for Traditional Medicines and Health Supplements, and the finalisation of the revision of the 1998 ASEAN Framework Agreement on MRA and MRA on Building and Construction Materials. Following the internal process of the AMS, the Ministers would be able to sign the ASEAN Framework Agreement on MRA and the MRA on Building and Construction Materials MRA within the year.

16. The Ministers were pleased to note that the deliverables on standards and conformance for 2020 are on track. The Ministers were also pleased with the overall progress on the reduction of technical barriers to trade (TBT) in the region through the harmonisation of technical standards, mutual recognition of conformity assessment results and harmonisation of regulatory regimes, as well as the expansion of the areas to reduce TBT to cover building and construction and digital trade sectors.

¹ Cambodia, Lao PDR and Myanmar are in different stages in the implementation of their national AEO programmes.

² The ASEAN Member States with operational national AEO Programmes comprises Brunei Darussalam, Indonesia, Malaysia, Singapore, Thailand, and Viet Nam.

³ The ACTS pilot Participating Members States (PMS) are Cambodia, Lao PDR, Malaysia, Singapore, Thailand and Viet Nam.

Trade in Services

17. The Ministers looked forward to the completion of signing of the ASEAN Trade in Services Agreement (ATISA) by all Member States within the year and encouraged AMS to commence their transition towards even deeper integration of trade in services using the negative list approach soonest for completion no later than the timeline stipulated under the ATISA.

18. The Ministers noted the progress made in the review of the schedules of commitments under the ASEAN Agreement on Movement of Natural Persons (MNP) and looked forward to the finalisation of the updated schedules within the year.

19. The Ministers welcomed the endorsement of the Referencing Reports of Indonesia and Thailand under the ASEAN Qualifications Referencing Framework (AQR), becoming the third and fourth Member States who have completed this process after Malaysia and the Philippines last year. Through provision of transparent and detailed description of the Member States' education and training systems, the referencing reports contribute to improvement of quality of education, stronger trust among AMS, and greater mobility of learners and workers across the region. The Ministers look forward to completion of Referencing Reports of other Member States in the near future.

Investment

20. The Ministers welcomed the entry into force of the Second and Third Protocols to Amend the ASEAN Comprehensive Investment Agreement (ACIA) on 18 June 2020, upon receipt by the ASEAN Secretariat of the last instruments of ratification. Amongst other things, the Second Protocol revised the definition of "natural person" in the ACIA to address the treatment of permanent residents under the ACIA, while the Third Protocol removed paragraph 8 of the ACIA Headnote for the List of Reservations, which renders the ACIA of equal application to all AMS investors.

21. The Ministers also welcomed the completion of the signing of the Fourth Protocol to Amend the ACIA on 15 July 2020. This Protocol provides for the incorporation of TRIMs-plus Prohibition of Performance Requirements obligations into the ACIA.

22. The Ministers commended the efforts of AMS in implementing the necessary measures and initiatives for ASEAN to remain resilient, open and attractive to investment, assist investors and facilitate their investments through these challenging and unprecedented times in the midst of the COVID-19 pandemic. The Ministers tasked the officials to leverage on regional initiatives to facilitate investment into ASEAN and prepare for the post-COVID-19 new normal.

Competition Policy

23. The Ministers welcomed the publication of the following: (i) ASEAN Competition Law and Policy Peer Review Guidance Document, (ii) Trainer's Guide to Market Studies, (iii) Competition Enforcement Strategy Toolkit for ASEAN Competition Agencies, and (iv) the Study on Commonalities and Differences across Competition Legislation in ASEAN and Areas Feasible for Regional Convergence.

24. The Ministers noted the ongoing implementation of the two ASEAN Experts' Group on Competition (AEGC) key priority deliverables for 2020 which are the development of; i) the Study on Recommended Procedures for Cooperation on Cross-border Cases, and (ii) the Study on the Exceptions and Exemptions from Competition Law.

25. The Ministers also noted the ongoing work of the AEGC which includes; (i) the Mid-Term-Review of the ASEAN Competition Action Plan (ACAP 2025); (ii) the review of the Regional Guidelines on Competition Policy 2020; and (iii) the convening of a pilot peer review of Malaysia's competition advocacy programme.

Consumer Protection

26. The Ministers welcomed the completion of the following: (i) the ASEAN Online Business Code of Conduct; (ii) the ASEAN Framework of Cross-Border Cooperation; (iii) the ASEAN Capacity Building Roadmap for Consumer Protection 2019-2025; and (iv) the ASEAN Consumer Empowerment Index (ACEI) survey.

27. The Ministers noted the ongoing implementation of the two ASEAN Committee on Consumer Protection's (ACCP) Key Priority Deliverables for 2020 which are: (i) the development of the Regional Information Campaign on Online Shopping, misleading or deceptive advertising in the marketplace and consumer redress, and (ii) the Feasibility Study with Supporting Recommendations to develop the criteria and guidelines for the operationalisation of the Online Dispute Resolution (ODR).

28. The Ministers also noted the Mid-Term-Review of the ASEAN Strategic Action Plan for Consumer Protection (ASAPCP 2025) to assess the effectiveness of the initiatives under the ASAPCP 2025 and to develop a new implementation schedule for the next five years.

Intellectual Property

29. The Ministers welcomed the publication of the Business Guide to Intellectual Property (IP) Institutions, Laws and Filing Process as well as the Handbook on IP Commercialisation in December 2019 with a view to helping businesses learn key IP concepts, including the legal requirements for the registration thereof, and how IP rights

can support the stakeholders' businesses to become more profitable through the effective management of IP assets.

30. The Ministers welcomed the recent publication of the 2nd edition of the Common Guidelines for the Substantive Examination of Trademarks, the initiative which aims to support the convergence of examination standards and criteria as applied by the ASEAN Trademarks offices.

31. The Ministers also noted the completion of the Handbook on IP Enforcement Rules and Regulations by the ASEAN Network of IP Enforcement Experts (ANIEE) which will be published online in the Q4 of 2020. The Handbook provides a comprehensive list of IP enforcement related laws in the AMS relating to trademark infringement and copyright piracy, as well as the corresponding remedies and penalties related thereto.

Electronic Commerce

32. The Ministers commended officials for the successful launch of the ASEAN Online Sale Day on 8 August 2020, a region-wide e-commerce promotion day, aimed at raising awareness of the important role of e-commerce, due to its inclusiveness, in sustaining the region's economic growth through the difficult time brought about by COVID-19 pandemic and promoting the growth of ASEAN's e-commerce as one of the key drivers for the development of the digital economy of ASEAN.

Micro, Small and Medium Enterprises (MSMEs)

33. The Ministers were pleased to note the progress made to-date on the implementation of the ASEAN Strategic Action Plan on SME Development (2016 – 2025) and welcomed the in-depth mid-term review of the action plan to ensure its continuous relevance, particularly in supporting the MSMEs and vulnerable businesses to recover from the COVID-19 crisis. On this note, the Ministers commended the release of the Policy Insight on Enterprise Policy Responses to COVID-19 in ASEAN as well as the timely implementation of the Go Digital ASEAN programme under the Action Agenda on Digitalisation of ASEAN MSMEs through Capacity Building Initiatives. Go Digital ASEAN, implemented in partnership with the private sector aims to equip micro and small enterprises as well as underemployed youths with crucial digitalisation skills. The Ministers also commended the continuing efforts to raise awareness and promote inclusive business approaches in ASEAN and endorsed the regional Guidelines for the Promotion of Inclusive Business in ASEAN. The Ministers also welcomed the effort to harness the unlimited potential of start-ups in creating jobs, promoting investments and developing new growth engines through the development of regional guidelines on fostering vibrant start-up ecosystems in ASEAN.

ASEAN Community Statistical System (ACSS)

34. The Ministers thanked the ACSS for its continued efforts in the harmonisation of key statistical areas relevant to the AEC integration monitoring. The Ministers also welcomed the progress in the development of the ASEAN Sustainable Development Goals (SDG) Indicators Baseline Report 2020 and the Online Database Portal for ASEAN SDG Indicators which will be launched in Q4 2020.

Public-Private Sector Engagement

35. The Ministers expressed their appreciation for the proactive role of the ASEAN Business Advisory Council (ASEAN-BAC) and Joint Business Councils (JBC) in putting up recommendations for ASEAN to respond to the COVID-19 pandemic. The Ministers welcomed the recommendations from the private sector, which provided useful and relevant insights for the development of ASEAN's responses to COVID-19 pandemic and how the region can recover post-pandemic. In particular, the Ministers welcomed the support and close collaboration with the private sector in the implementation of the Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic.

External Economic Relations

36. The Ministers noted the progress in the implementation of ASEAN's free trade area (FTA) and comprehensive economic partnership (CEP) agreements with major trading partners i.e. China, India, Japan, Korea, Australia and New Zealand, and Hong Kong, China as well as engagement with possible FTA partners. The Ministers also noted that the global pandemic may have slowed down work on upgrading ASEAN's various FTAs, and tasked the officials to redouble efforts and ensure that ASEAN's FTAs are upgraded to incorporate mechanisms to strengthen supply chain connectivity, make them more resilient and continue to deliver new opportunities to businesses in these times of global economic uncertainties.

37. The Ministers agreed that the COVID-19 pandemic has presented unprecedented challenges and has demonstrated the importance of trade diversification. To this end, the Ministers tasked the officials to enhance economic relations with potential FTA partners and to explore new trading partners for ASEAN.

Regional Comprehensive Economic Partnership (RCEP)

38. The Ministers welcomed the developments in finalising the Regional Comprehensive Economic Partnership (RCEP) Agreement and looked forward to its signing in 2020. The Ministers reiterated the significance of signing the RCEP Agreement in enhancing business confidence and strengthening regional economic architecture, as

well as in demonstrating the region's support towards an open, inclusive, and rules-based multilateral trading system.

Economic Research Institute for ASEAN and East Asia (ERIA)

39. The Ministers thanked the ERIA for its continued support and contribution to ASEAN economic integration and AEC-building efforts. The Ministers noted that, in cooperation with UNCTAD, ERIA is developing the Cost Effectiveness Tool Kit for Non-Tariff Measures, which intends to aid ASEAN Member States in reviewing NTMs on imported intermediate inputs for their design, enforcement and compliance, with a view of promoting domestic value addition for creation of regional value chains. Other contribution from ERIA include on-going and future research activities by ERIA, such as: (i) the study on ASEAN Seamless Trade Facilitation Indicators (ASTFI) and Trade Transaction Cost (TTC), that would help determine the reduction by 10% in trade transactions cost in the region by 2020; (ii) an assessment of the impact of the ATIGA on intra-ASEAN trade since the entry into force of ATIGA in 2010, which is a component of the ATIGA General Review; (iii) the completed ASEAN Regulatory Management System (RMS) study, which provides a baseline on the implementation of core principles of Good Regulatory Practices in ASEAN, including recommendations; and (iv) on-going work on the impact study of ASEAN Economic Integration, which will be a valuable input to the mid-term review of the AEC. Further, the Ministers are cognisant of the contribution of ERIA in supporting the RCEP negotiations and the conduct of focus group discussions and capacity building to AMS officials related to services sectors to contribute towards developing their respective Schedules of Non-Conforming Measures under the ATISA.

Technical Assistance and Capacity-Building

40. The Ministers appreciated the technical assistance and capacity building provided by ASEAN external partners which have significantly contributed to the process of ASEAN's community building, regional economic integration process, as well as the development of ASEAN Member States. These include the support provided under the ASEAN-Australia Development Cooperation Program (AADCP) II, AANZFTA Economic Cooperation Support Programme (AECSP), the ASEAN Regional Integration Support from the EU (EU-ARISE) Plus, the Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI), the ASEAN-China Cooperation Fund (ACCF), the AEM-METI Economic and Industrial Cooperation Committee (AMEICC), the Japan-ASEAN Integration Fund (JAIF), the ASEAN-Korea Economic Cooperation (AKEC) Fund, the Technical Advice and Solutions from Korea (TASK) Programme, the ASEAN-USAID Inclusive Growth in ASEAN through Innovation, Trade, and E-Commerce (IGNITE), and the German Federal Ministry for Economic Cooperation and Development BZ projects as implemented by the GIZ GmbH and Physikalisch-Technische Bundesanstalt (PTB). The Ministers looked forward to the continued support and cooperation from ASEAN's dialogue and development partners in the future, especially during the post-pandemic economic recovery process.

LIST OF MINISTERS

1. **H.E. Dato Dr. Amin Liew Abdullah**, Minister at the Prime Minister's Office and Minister of Finance and Economy II, Brunei Darussalam
2. **H.E. Pan Sorasak**, Minister of Commerce, Cambodia
3. **H.E. Agus Suparmanto**, Minister of Trade, Indonesia
4. **H.E. Mrs. Khemmani Pholsena**, Minister of Industry and Commerce, Lao PDR
5. **H.E. Dato' Seri Mohamed Azmin Ali**, Senior Minister and Minister of International Trade and Industry, Malaysia
6. **H.E. Thaung Tun**, Minister of Investment and Foreign Economic Relations
7. **H.E. Ramon M. Lopez**, Secretary of Trade and Industry, Philippines
8. **H.E. Chan Chun Sing**, Minister for Trade and Industry, Singapore
9. **H.E. Dr. Sansern Samalapa**, Vice Minister for Commerce, Thailand (representing H.E. Jurin Laksanawisit, Deputy Prime Minister and Minister of Commerce, Thailand);
10. **H.E. Tran Tuan Anh**, Minister of Industry and Trade, Viet Nam
11. **H.E. Dato Lim Jock Hoi**, Secretary-General of ASEAN