



**THE SEVENTEENTH AEM–METI CONSULTATIONS  
13 August 2011, Manado, Indonesia**

**JOINT MEDIA STATEMENT**

1. The Seventeenth Consultations between the ASEAN Economic Ministers (AEM) and the Minister for Economy, Trade and Industry (METI) of Japan were held on 13 August 2011 in Manado, Indonesia. The Consultations were co-chaired by H.E. Dr. Mari Elka Pangestu, Minister of Trade of Indonesia and H.E. Banri Kaieda, Minister for Economy, Trade and Industry of Japan.

2. The AEM noted Japan's economic recovery from the recent earthquake and tsunami which hit the country in March 2011 and recognized the importance of securing the prompt return of the smooth flow of goods, services and people in the region. Japan assured ASEAN of her continued support in the regional integration efforts.

3. The Ministers noted that 2010 recorded a strong rebound of ASEAN-Japan trade, signalling the recovery from the global economic crisis. Both exports to and imports from Japan showed a significant increase with exports topping 32.0 per cent, totalling US\$103.1 billion from US\$78.1 billion in 2009. Total trade grew by 26.7 per cent, amounting to US\$203.9 billion in 2010. Japan is ASEAN's third largest trading partner in 2010 with 10.0 per cent share of ASEAN's total trade. On the other hand, ASEAN is Japan's second largest trading partner after China.

4. The Ministers were pleased with the significant increase of foreign direct investment from Japan to ASEAN which grew by 124.3 per cent from US\$3.8 billion in 2009 to US\$8.4 billion in 2010. Japan remained an important source of foreign direct investment with a share of 11.4 per cent of total inward investment to ASEAN in 2010.

***ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement***

5. The Ministers welcomed the completion of the transposition exercise of the Product Specific Rules from HS2002 to HS2007. The Ministers encouraged relevant Parties to complete similar exercise on the tariff reduction schedules.

6. The Ministers welcomed the efforts of the AJCEP Joint Committee and the relevant Committee in initiating a system for monitoring the utilisation of Certificate of Origin (CO) under the AJCEP. The Ministers reiterated the importance to ensure smooth implementation and maximum utilisation of the AJCEP. Toward this end, the Ministers encouraged senior officials to address all implementation issues and concerns as well as AJCEP Joint Committee to discuss public outreach activities to promote the AJCEP.

7. The Ministers were pleased to note the substantive outcomes of the negotiations on trade in services and investment under the AJCEP. In order to complete the AJCEP as a comprehensive economic partnership agreement, the Ministers tasked senior officials to strive for a conclusion of these negotiations in tandem by the 18<sup>th</sup> AEM-METI Consultations or the 15<sup>th</sup> ASEAN-Japan Summit in 2012 as an aspirational goal.

### ***Private Sector Engagement***

8. The Ministers were pleased with the outcomes of the dialogue between the Economic Ministers of ASEAN and Japan, the Secretary-General of ASEAN and the Federation of Japanese Chamber of Commerce and Industry in ASEAN (FJCCIA) which was held on 9 July 2011 in Kuala Lumpur, Malaysia. The Ministers underlined that the improvement of business environment in ASEAN would benefit both ASEAN and Japan and agreed to consider the requests from Japanese industry into the works toward the realization of ASEAN Economic Community (AEC) by 2015, such as mid-term review of the AEC blueprint. Japan welcomed a Road Show to Japan by ASEAN Economic Ministers next year with the aim of promoting business relations and economic cooperation between ASEAN and Japan. The next dialogue between the Secretary-General of ASEAN and FJCCIA is scheduled in Bangkok, Thailand in 2012.

### ***ASEAN-Japan Economic Cooperation***

9. The Ministers emphasized the importance of enhancing economic cooperation between ASEAN and Japan to deepen regional economic integration and narrow the development gap. The Ministers welcomed the progress in the ongoing Japanese initiatives for improving the quality of economic growth in ASEAN, including Asian Sustainable Chemical Safety Plan and Asia Knowledge Economy Initiative. The Ministers urged the Sub-Committee on Economic Cooperation, through the AJCEP Joint Committee, to commence its work of developing and ensuring effective implementation of economic cooperation activities including those related to ASEAN connectivity enhancement as soon as possible.

### ***Smart Community Initiative***

10. The Ministers welcomed the progress in the ongoing Japanese initiatives for realizing economic growth and sustainable development and reaffirmed the importance of the Smart Community Initiative. The Ministers appreciated the will of government of Japan for strengthening its initiative in cooperation with the private sector such as Japan Smart Community Alliance (JSCA), recognizing the importance of the construction of the smart communities with resiliency, and recalling the experience of the disaster in Japan caused by the Earthquake and Tsunami.

### ***Bilateral Offset Credit Mechanism***

11. From the perspective of achieving green growth, the Ministers also highly evaluated the Japanese proposal of bilateral offset credit mechanism, which provides emission credits for introduction and diffusion of low carbon technologies and products.

### ***Supply-Chain Visibility Initiative***

12. Toward the enhancement of ASEAN connectivity and the establishment of more efficient logistics in East Asia, the Ministers appreciated the proposal of the Supply-Chain Visibility Initiative by the Japanese government, which provides supports to establish a global information network for sharing cargo status data based on interoperable standards for optimization of the global supply chain, and supported the implementation of feasibility study financed by Japan-ASEAN Integrated Fund (JAIF) for enhancing ASEAN connectivity.

### ***Support for Small and Medium Enterprises (SMEs)***

13. The Ministers underscored the importance of improving access to finance to SMEs and encouraged further discussions to develop ideas for this purpose, through relevant forum such as *AEM-METI Economic and Industrial Cooperation Committee (AMEICC)*.

### ***Intellectual Property (IP) Cooperation***

14. The Ministers also acknowledged the importance of IP to accelerate innovation, trade and investment between ASEAN and Japan and thus to achieve the sustainable economic growth of ASEAN and Japan. Based upon this common understanding, the Ministers agreed to hold heads of IP Offices meeting among ASEAN and Japan in February 2012 in Japan in order to deepening cooperation between ASEAN and Japan.

### ***ASEAN-Japan 10-year Strategic Economic Cooperation Roadmap***

15. The Ministers also tasked the senior officials to develop a roadmap for ASEAN-Japan Economic Relations in the next 10 years, with support by ASEAN Secretariat and AMEICC. They affirmed that this roadmap should be considered with the objective of promoting strategic partnerships in the areas of improvement of business environment, trade and investment facilitation and liberalization, infrastructure development, connectivity, human resources development and enhancement and coordination on domestic policies and regulations, among others.

### ***AEM-METI Economic and Industrial Cooperation Committee (AMEICC)***

16. The Ministers noted with appreciation the progress in implementing the AMEICC projects, especially those related to the further development of least developed countries and promotion of SMEs towards realising the AEC. Besides, they appreciated follow-up activities to Asian Sustainable Chemical Safety Plan, especially those on strengthening capacity building on risk-based chemical safety management and the work towards the establishment of "ASEAN Chemical Data Centre". They affirmed their commitment to further strengthen the economic partnership between ASEAN and Japan by implementing the proposed projects through AMEICC and other schemes, especially for the enhancement of regional economic integration.

## LIST OF MINISTERS

1. **H.E. Pehin Dato Lim Jock Seng**, Second Minister, Ministry of Foreign Affairs and Trade, Brunei Darussalam
2. **H.E. Cham Prasadh**, Senior Minister and Minister of Commerce, Cambodia
3. **H.E. Mari Elka Pangestu**, Minister of Trade, Indonesia
4. **H.E. Mahendra Siregar**, Vice Minister of Trade, Indonesia
5. **H.E. Banri Kaieda**, Minister for Economy, Trade and Industry, Japan
6. **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
7. **H.E. Dato' Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
8. **H.E. U Tin Naing Thein**, Minister for National Planning and Economic Development, Myanmar
9. **H.E. Gregory L. Domingo**, Secretary of Trade and Industry, the Philippines
10. **Mrs. Ow Foong Pheng**, Second Permanent Secretary for Trade and Industry, Singapore
11. **Mr. Yangyong Phuangrach**, Permanent Secretary Ministry of Commerce, Thailand
12. **H.E. Nguyen Cam Tu**, Deputy Minister of Industry and Trade, Viet Nam
13. **H.E. Surin Pitsuwan**, Secretary-General of ASEAN