

# Joint Media Statement: Informal consultations of the economic ministers of the EAS Participating Countries

**13 August 2011** Manado, Indonesia

1. Economic Ministers from the ten ASEAN Member States, Australia, China, India, Japan, Republic of Korea and New Zealand gathered in Manado, Indonesia on 13 August 2011 and exchanged views on regional and global issues affecting the East Asian region as well as developments in areas of economic cooperation within the East Asia Summit (EAS) framework.
2. The Ministers exchanged views on regional and global developments, in particular, the recent earthquake and tsunami in Japan and economic developments in the US and Europe that affect global financial markets. The Ministers recognised the importance of securing Japan's economic recovery from the recent earthquake and tsunami and the prompt return of the smooth flow of goods, services and people in the region.
3. The Ministers welcomed this week's statement from the recent meeting of G20 Finance Ministers and Central Bank Governors affirming their commitment to take all necessary initiatives to support financial stability and to foster stronger economic growth. The Ministers recognised the fundamental contribution of international trade to global prosperity, sustainable development and the elimination of poverty. They acknowledged the core role of the WTO and their free trade agreements (FTAs), particularly at times of global economic turmoil, in resisting protectionist tendencies and promoting open markets.
4. The Ministers noted that the 16 EAS participating countries accounted for around one-quarter of the world's exports of goods and services in the 2007-09 period. They were pleased to note that, in 2010, ASEAN's total trade with the Plus Six countries grew by 29.6 per cent to US\$650.9 billion, which was higher than the pre-crisis level of US\$598.8 billion in 2008. Exports to the Plus Six countries increased by 33.5 per cent, from US\$252.6 billion in 2009 to US\$337.3 billion in 2010, while imports rose by 25.7 per cent to US\$313.6 billion in 2010. The Plus Six countries accounted for 31.9 per cent of ASEAN's total trade in 2010.
5. The Ministers also noted that foreign direct investment (FDI) flows from the Australia, China, India, Japan, Korea and New Zealand grew by 75.0 per cent from USD 11 billion in 2009 to USD 19.3 billion, which represented a 25.0 per cent share of total FDI flows to ASEAN in 2010.
6. The Ministers recalled the Leaders' consensus that the East Asia Summit plays a significant role in community building in the region and forms an integral part of the evolving regional architecture. The East Asia Summit and the ASEAN Plus Three process should play a complementary and mutually reinforcing role with other regional mechanisms in community building efforts. Recommendations in the East Asia Free Trade Area (EAFTA) and Comprehensive Economic Partnership in East Asia (CEPEA) studies are currently being examined and considered in parallel.

## Comprehensive Economic Partnership in East Asia (CEPEA)

7. The Ministers were pleased to note the progress of the four ASEAN Plus Working Groups (APWGs) that were tasked to look into the recommendations of the EAFTA and CEPEA studies relevant to rules of origin, tariff nomenclature, customs procedures and economic cooperation. The Ministers welcomed the Workshop on Rules of Origin hosted by India on 25-26 July 2011, New Delhi, India. The Ministers noted that the APWG on Tariff Nomenclature has completed its work and urged the other APWGs to intensify their discussions and finalise their recommendations before the 19th ASEAN Leaders' Summit in November 2011.
8. The Ministers welcomed and exchanged views on the joint proposal by China and Japan, "Initiative on Speeding up the Establishment of an East Asia Free Trade Area (EAFTA) and Comprehensive Economic Partnership in East Asia (CEPEA)".

9. To ensure the economic integration within ASEAN as well as with Dialogue Partners, the Ministers noted that ASEAN is still working on the structure and template for the ASEAN ++ FTA, which would include an appropriate institutional mechanism, and is taking into account the joint proposal by China and Japan in developing recommendations by November 2011.
10. The Ministers look forward to considering the ASEAN proposed structure and template for the ASEAN ++ FTA and would also give further consideration to the joint proposal by China and Japan at that time. The Ministers instructed Senior Officials to meet in November 2011 to initially consider these proposals and advise Ministers. The Ministers reiterated the importance of ASEAN Centrality in the expanded regional economic integration process.

## **Economic Research Institute for ASEAN and East Asia (ERIA)**

11. The Ministers appreciated the progress of the research activities of the ERIA in a variety of fields such as SMEs, energy, environment, trade and investment, and infrastructure development including the assistance provided to ASEAN in the Mid-Term Review of the AEC Blueprint, improving the AEC Scorecard and conducting a comprehensive mapping of ASEAN-related FTAs.
12. The Ministers also appreciated ERIA's initiative to implement "Comprehensive Asian Development Plan (CADP)" and "Master Plan on ASEAN Connectivity (MPAC)", which will narrow development gap in the region, by supporting implementation of specific projects and enhancing institutional framework for the Public-Private Partnership (PPP). The Ministers reaffirmed necessity to promote CADP in close collaboration with MPAC, relevant Ministerial meetings and international organizations, and agreed to report the progress on CADP to the Leaders at the EAS in 2011 in order to facilitate these collaborations.
13. The Ministers looked forward to ERIA's continued support and contribution recognizing the importance of further strengthening ERIA in enhancing economic integration and community-building in ASEAN and the greater East Asian region through its research works and policy recommendations. From this perspective, the Ministers appreciated the continuous contributions from Australia, India, Japan and New Zealand to ERIA, and expressed their intention to pursue the possibility to make voluntary contribution by capable Members.

## **Participation of Russian Federation and the United States of America in the East Asia Summit (EAS)**

14. The Ministers noted that the Leaders of Russian Federation and the United States of America will be participating at the EAS in November 2011. They looked forward to engage the Economic Minister of Russia and the US Trade Representative in the Informal Consultations of the EAS Economic Ministers next year.

## **World Trade Organization (WTO)**

15. 15. Given the greater global economic uncertainties and the importance of sustaining trade flows, the Ministers noted with great regret the stalemate in the WTO Doha negotiations. They reiterated their strong commitment to reach an agreement, as soon as possible, on early deliverables, in particular for LDCs, while working on the final conclusion of negotiations. Early deliverables should include elements responding to the aspirations of the LDCs. The Ministers also reiterated the importance of refraining from protectionist tendencies.

## **Economic Cooperation**

### **Smart Community Initiative**

16. 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.

## List of Ministers

- **Hon. Craig Emerson MP**, Minister for Trade, Australia
- **H.E. Pehin Dato Lim Jock Seng**, Second Minister, Ministry of Foreign Affairs and Trade, Brunei Darussalam
- **H.E. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia
- **H.E. Chen Deming**, Minister of Commerce, China
- **H.E. Anand Sharma**, Minister of Commerce, Industry and Textile, India
- **H.E. Mari Elka Pangestu**, Minister of Trade, Indonesia
- **H.E. Mahendra Siregar**, Vice Minister of Trade, Indonesia
- **H.E. Banri Kaieda**, Minister of Economy, Trade and Industry, Japan
- **H.E. Mr. Kim Jong-hoon**, Minister for Trade, Republic of Korea
- **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
- **H.E. Dato' Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
- **H.E. U Tin Naing Thein**, Minister for National Planning and Economic Development, Myanmar
- **Hon. Tim Groser**, Minister for Trade of New Zealand
- **H.E. Gregory L. Domingo**, Secretary of Trade and Industry, the Philippines
- **H.E. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
- **Mr. Yangyong Phuangrach**, Permanent Secretary Ministry of Commerce, Thailand
- **H.E. Nguyen Cam Tu**, Deputy Minister of Industry and Trade, Viet Nam
- **H.E. Surin Pitsuwan**, Secretary-General of ASEAN