

The Sixth Consultations between the ASEAN Economic Ministers and the Minister of Commerce of the People's Republic of China Makati City, Philippines, 25 August 2007

Joint Press Statement

1. The Sixth Consultations between the ASEAN Economic Ministers (AEM) and the Minister of Commerce (MOFCOM) of the People's Republic of China was held in Makati City, the Philippines on 25 August 2007. The Consultations was co-chaired by H.E. Mr. Peter B. Favila, Secretary of the Department of Trade and Industry, the Philippines, and. H.E. Mr. Bo Xilai, Minister of Commerce of the People's Republic of China.

ASEAN-China Trade and Investment Relations

2. The Ministers had a productive exchange of views on current ASEAN and China economic ties and underscored the importance of ASEAN and China economic relationship towards regional peace and prosperity.

3. Trade between ASEAN and China has grown substantially since 1995. China is ASEAN's fourth major trading partner by country of destination for 2006, after the US, the EU, and Japan.

4. In the area of investments, latest figures show that Chinese FDI flows to ASEAN have reached US\$ 936.9 million in 2006. This will further be bolstered in future as both ASEAN and China look into ways to provide better investment promotion and investment facilitation.

5. In tourism, ASEAN tourist arrivals to China reached 3.5 million from Jan-Nov 2006. Meanwhile, ASEAN attracted 2.6 million Chinese tourists to ASEAN for the same period. ASEAN and China are confident that the numbers will continue to rise substantially, along with expanded and deepened relationships.

Progress in the Establishment of the ASEAN-China Free Trade Area (ACFTA)

6. Since the signing of the Framework Agreement at the ASEAN-China Summit in November 2002 in Cambodia, the Ministers noted the significant developments on the establishment of the ASEAN-China Free Trade Area (ACFTA).

7. The Second Protocol to Amend the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China, and the Protocol to Amend the Trade in Goods Agreement under the Framework Agreement were signed in December 2006 in Cebu, the Philippines. The amendments are to provide legal effect to the Philippines-China agreement on the Early Harvest Programme (EHP) and the conclusion of Viet Nam-China negotiations on the outstanding issues under the Trade in Goods Agreement.

8. Having completed the Agreement on Trade in Goods in 2004, the Ministers signed the Agreement on Trade in Services at the 12th ASEAN Summit in January 2007. The Agreement includes the first package for the schedule of commitments to liberalise trade in services under the ACFTA. This free movement of services should help create alliances between the two regions and contribute to the emergence of efficient industries.

9. The Ministers reiterated the importance of investment negotiations. The Ministers tasked their respective Senior Officials to conclude their negotiations on the Investment Agreement expeditiously.

10. The Ministers noted that work will begin on addressing the issue of non-tariff barriers (NTBs). The exchange of information on non-tariff measures applied by each party has been initiated and efforts are being made to work towards the gradual removal of NTBs.

11. ASEAN–China cooperation has expanded to cover ten priority areas, namely, agriculture, information and communication technology (ICT), human resource development (HRD), two-way investment, Mekong Basin development, transportation, energy, culture, tourism and public health. The Ministers expect to receive progress on the implementation of specific economic cooperation activities that will expand and enhance the benefits of the ACFTA. ASEAN also proposed that China host an SME seminar in 2008 to help SMEs understand the China market and opportunities that have arisen from the implementation of the ACFTA.

MOU between the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) of the People's Republic of China and ASEAN on Inspection and Quarantine Cooperation

12. The Ministers noted that the signing of the MOU between China and ASEAN on the Inspection and Quarantine Cooperation will take place during ASEAN-China Summit in November 2007. The MOU will pave the way in strengthening, promoting and developing cooperation in the field of control, inspection and approval procedures between ASEAN and China. These efforts are to facilitate and promote regional trade and to work towards the effective and successful implementation of the ACFTA.

13. The Ministers believed that product quality and food safety are common challenges faced by every country. All parties should actively conduct and enhance exchanges and cooperation in improving risk control and ensure product quality. The Ministers agreed to urge relevant government agencies to properly deal with product quality-related cases by strengthening consultations with the view to protecting the safety and health of consumers while not impeding bilateral trade and economic cooperation.

14. To further enhance bilateral trade between ASEAN and China, and to ensure market access for each others' products in the Chinese and ASEAN markets, measures pertaining to standards and quality of product safety, are important in respect of trade facilitation. The Ministers agreed that information exchange and cooperation measures be undertaken in areas such as development of Mutual Recognition Agreements, standard and conformance, product quality and safety and quarantine.

ASEAN-China Centre for Promoting Trade, Investment and Tourism

15. The Ministers also noted that the MOU on Establishing the ASEAN-China Centre for Promoting Trade, Investment and Tourism will be signed during the ASEAN-China Summit in November 2007. The Centre shall serve as a one-stop information centre that will promote ASEAN-China cooperation in trade, investment, tourism, education and culture. The private sector and business representatives are welcomed and strongly encouraged to become involved in the activities of the Centre. It is hoped that through the services provided by the Centre, two-way trade and flows of investment between ASEAN and China can be further enhanced.

4th China-ASEAN Expo 2007

16. The Ministers noted that the annual China-ASEAN Expo is scheduled on 28 – 31 October 2007 in Nanning, China, and that this year's theme is on transportation. The China-ASEAN Port Development & Cooperation Forum will be organised and representatives from the key port groups of China and the 10 ASEAN countries will be invited. Investors and operators of international piers, large shipping companies, logistics enterprises and shipbuilding & repairing companies, harbour logistics information technology enterprises, and harbour equipment manufacturers will meet with government officials from the Communication and Transport Ministries to discuss business opportunities for cooperation in harbour development planning & related policies and cooperation projects.

LIST OF MINISTERS

The 6th AEM-MOFCOM Consultations was attended by:

- H.E. Pehin Dato Lim Jock Seng, Second Minister of Foreign Affairs and Trade, Brunei Darussalam
- H.E. Dr. Cham Prasidh, Senior Minister and Minister of Commerce, Cambodia
- H.E. Mr. Bo Xilai, Minister of Commerce, People's Republic of China
- H.E. Dr. Mari Elka Pangestu, Minister of Trade, Indonesia
- H.E. Dr. Nam Viyaketh, Minister of Industry and Commerce, Lao PDR
- H.E. Dato' Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia
- H.E. U Soe Tha, Minister for National Planning and Economic Development, Myanmar
- H.E. Mr. Peter B. Favila, Secretary of Trade and Industry, the Philippines
- H.E. Mr. Lim Hng Kiang, Minister for Trade and Industry, Singapore
- H.E. Mr. Krirk-Krai Jirapaet, Minister of Commerce, Thailand
- H.E. Dr. Vu Huy Hoang, Minister of Industry and Trade, Viet Nam
- H.E. Mr. Ong Keng Yong, Secretary-General of ASEAN