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MINISTERIAL DECLARATION ON THE AFTA-CER CLOSER ECONOMIC PARTNERSHIP

Ministers,

Representing the following Member Countries of the ASEAN Free Trade Area (AFTA) and the Members of the Australia-New Zealand Closer Economic Relations Trade Agreement (CER):

Australia
Brunei Darussalam
Cambodia
Indonesia
Lao PDR
Malaysia
Myanmar
New Zealand
Philippines
Singapore
Thailand
Viet Nam

(hereinafter referred to as "the AFTA-CER countries");

Recalling the Framework for the AFTA-CER Closer Economic Partnership (CEP) endorsed by Ministers in Ha Noi, Viet Nam on 16 September 2001;

Reaffirming that the CEP must serve as a building block for greater economic integration, and advance substantively beyond the AFTA-CER Linkage, which was established in September 1995 during informal consultations between ASEAN Economic Ministers and Ministers from Australia and New Zealand;

Taking into account the relevant recommendations from the study prepared by the High Level Task Force on the AFTA-CER Free Trade Agreement: The Angkor Agenda presented to Ministers in Chiang Mai, Thailand on 6 October 2000;

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Considering the importance of trade and investment for the AFTA-CER countries and the existing trade relationship between the regions;

Recognising that open, transparent and competitive markets are the key drivers of economic efficiency, and contribute to wealth creation and consumer welfare;

Underlining their commitment to maintain outward-looking trade and investment policies to bolster and sustain economic growth;

Mindful of and adhering to their respective commitments to the spirit, rights and obligations of existing membership of global, regional and bilateral agreements and fora;

Recognising that the CEP will take into account the different levels of development of participating countries; and

Underlining the potential for mutual benefits with closer cooperation among AFTA-CER countries on international economic issues in multilateral and regional fora such as the World Trade Organization (WTO) and the Asia Pacific Economic Cooperation (APEC).

Declare as follows:

Goals

1. The goals of the CEP are to:

    (a) Deepen and broaden cooperation in all economic fields;

    (b) Promote greater trade and investment flows regionally and globally;

    (c) Contribute to trade and investment facilitation through minimising impediments, reducing costs, and related capacity building;

    (d) Improve business competitiveness;

    (e) Narrow the developmental gap and deliver tangible benefits to all participating countries, especially for the newer ASEAN Member Countries; and

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(f) Promote transparency of regulations and cooperation among relevant authorities.

Fields of Cooperation

2. In order to advance the existing dialogue on trade and economic issues, the fields of cooperation under the CEP will include, but not be limited to, promoting and facilitating trade and investment, capacity building, new economy issues and other areas of cooperation, as indicated in **Annex 1**. The development of further cooperative activities under the CEP could be drawn, inter alia, from the Angkor Agenda and the recommendations of the AFTA-CER Business Council.

Work Programme

3. The work programme under the fields of cooperation will be developed on the basis of consensus and implemented taking into account the different levels of development of the participating countries, using a multi-track approach where some areas of cooperation could be advanced sooner than others. The CEP Initial Work Programme will include, but not be limited to, technical barriers to trade and non-tariff barriers, customs cooperation, capacity building, trade and investment promotion and facilitation, standards and conformity assessment, electronic commerce, and small and medium enterprises (SMEs), as indicated in **Annex 2**.

Implementation Mechanism

4. Recognising the importance of working groups in advancing cooperation under the CEP, sectoral dialogues between CER and ASEAN working groups will be established and/or enhanced across a range of areas. These working groups will propose projects and priority areas under their respective purview. In this regard, an AFTA-CER CEP Implementation and Coordination Group (ACCICG) will be established to coordinate and direct the work programme under the CEP, exchange views on regional and multilateral economic and trade issues, and identify new areas of cooperation. ACCICG will make recommendations and report to the SEOM-CER consultations.

Business Views

5. An AFTA-CER Business Council, comprising high-level representatives from the respective business communities, will provide ASEAN and CER Ministers with advice on the scope and implementation of the AFTA-CER CEP and enhance business sector contributions to

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AFTA-CER cooperation. The AFTA-CER Business Council will have the opportunity to meet and report to the Ministers.

Review

6. Fields of cooperation under the CEP and the CEP Initial Work Programme, as outlined in Annexes 1 and 2, will be reviewed regularly to ensure progress across all areas and to explore further areas of cooperation which advance the principles and goals of the CEP framework. Progress will be reported regularly through Senior Economic Officials to Ministers.

7. The AEM-CER consultation process will periodically monitor and review the progress on the implementation of the CEP and its further development.

Other Trade and Economic Initiatives

8. Bilateral and regional trade and economic initiatives can promote the goals of the AFTA-CER CEP. AFTA-CER countries which are ready to develop and implement such arrangements should do so.

SIGNED at Bandar Seri Begawan, Brunei Darussalam on this 14th day of September 2002.

For the Government of
Australia

MARK VAILE
Minister of Trade

For the Government of
Brunei Darussalam

ABDUL RAHMAN TAIB
Minister of Industry
and Primary Resources

For the Government of
the Kingdom of Cambodia

CHAM PRASIDH
Minister of Commerce

For the Government of
the Republic of Indonesia

DORODJATUN KUNTJORO-JAKTI
Coordinating Minister for Economy

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For the Government of
the Lao People's Democratic Republic

SOULIVONG DARAVONG
Minister of Industry and Handicraft

For the Government of
Malaysia

RAFIDAH AZIZ
Minister of International Trade
and Industry

For the Government of
the Union of Myanmar

BRIGADIER GENERAL
DAVID O. ABEL
Minister at the Office of the
Chairman of the State Peace
and Development Council

For the Government of
New Zealand

JIM SUTTON
Minister for Trade Negotiations

For the Government of
the Republic of the Philippines

MAR ROXAS
Secretary of Trade and Industry

For the Government of
the Republic of Singapore

B.G. (NS) GEORGE YONG-BOON YEO
Minister for Trade and Industry

For the Government of
the Kingdom of Thailand

ADISAI BODHARAMIK
Minister of Commerce

For the Government of
the Socialist Republic of Vietnam

LUONG VAN TU
Vice Minister of Trade

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ANNEX 1

Fields of cooperation under the Closer Economic Partnership

Building on the existing dialogue on trade and economic issues, the fields of cooperation under the CEP will include:

(a) Trade and Investment Facilitation

The extensive work of the past six years under the AFTA-CER Linkage will continue to seek to reduce costs to business associated with technical barriers, customs procedures, and regulatory and administrative requirements. This will be underpinned by technical assistance initiatives aimed at assisting newer ASEAN members to build the capacity necessary (including skills and infrastructure), to promote the freer flow of goods, services and investment between the regions.

(b) Capacity Building

Technical advice and assistance will continue to be provided by Australia and New Zealand guided, inter-alia, by: decisions taken under the AFTA-CER framework and in support of the key goals of the CEP; the general endorsement of ASEAN for facilitating the integration of its newer members; and the identified needs of ASEAN countries in trade and investment related areas, including sanitary and phytosanitary measures (SPS), customs, standards and conformance, enforcement of intellectual property rights (IPRs) and small and medium enterprises (SMEs).

(c) Trade and Investment Promotion

One of the key goals of the CEP is to promote trade in goods and services, and the attractiveness of ASEAN and CER as investment destinations. Liberalisation could form part of the work programme of the CEP with initial emphasis placed on addressing non-tariff barriers with a view to preventing these from inhibiting flows in merchandise and services trade. It would also maximise the advantages of regional economic integration.

(d) New Economy Issues

The CEP will provide for collaboration and capacity building among participating countries to reduce the digital divide in the region through the minimisation of regulatory and other barriers with a view to exploiting the full potential of information communication technology and e-commerce for economic growth.

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Work in this area should encourage the development of intellectual property regimes to protect IPRs and support innovation and economic growth.

Through the CEP, there should be closer cooperation to address barriers such as anti-competitive practices, particularly as the degree of regional economic integration deepens.

(e) Other Areas of Cooperation

The work programme under the CEP should be reviewed periodically with a view to exploring further areas of cooperation which conform to the principles and goals of the CEP framework.

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ANNEX 2

The CEP Initial Work Programme

Building on and expanding the work under the AFTA-CER Linkage, the CEP Initial Work Programme should include the following:

(a) Technical Barriers to Trade and Non-tariff Barriers: The CEP should address technical barriers to trade and non-tariff barriers, including for example SPS issues, tariff rate quotas (TRQs) and licensing, standards and conformance. A work programme on technical barriers to trade and non-tariff barriers should allow both sides to address market access issues affected by these barriers in a manner consistent with WTO rights and obligations.

(b) Customs Cooperation. The CEP could encompass customs cooperation and dialogue, with a focus on the development of mutually beneficial solutions to minimise risks and to maximise opportunities for facilitating customs clearance for ASEAN and CER goods. This could include promotion of exchange of information on technical and regulatory requirements, and the streamlining of rules and regulatory procedures.

(c) Capacity Building: Assistance to ASEAN countries to encourage economic integration, particularly of new Members, should continue to be provided in the course of developing and implementing the elements of the CEP. This should focus on agreed areas of the CEP, such as SPS, enforcement of IPRs customs, standards and conformance.

(d) Trade and Investment Promotion and Facilitation: The CEP should establish mechanisms to enhance information dissemination, address market impediments and promote trade and investment opportunities. These mechanisms could involve the trade and investment agencies of participating countries or business associations from ASEAN and CER.

(e) Standards and Conformity Assessment: There are regular consultations among officials of both regions under the ASEAN Consultative Committee on Standards and Quality (ACCSQ)-CER forum. The possibility of inter-regional mutual recognition agreements (MRAs) is being explored. ASEAN-CER standards collaboration could be accelerated further as a component of the CEP, which could cover, transparency of regulations, MRAs, harmonization of standards and joint development of international standards of interest to both regions.

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(f) Electronic Commerce: Work on this will include investigating means by which forms of information and communications technology (ICT) and e-commerce cooperation between ASEAN and CER could be fruitfully pursued, including through links with e-ASEAN and other regional initiatives; examining paperless trading solutions in the routine administration of trade flows building on current regional goals (e.g. customs formalities) and through capacity building to reduce the digital divide.

(g) Small and Medium Enterprises (SMEs): The CEP should build stronger ties among the private sectors of both regions, particularly among SMEs, which could benefit from increased networking and links with one other. Joint programmes geared towards encouraging accelerated adoption of e-commerce by SMEs could also be included in the work programme.

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