



**THE 10<sup>th</sup> AEM-MOFCOM CONSULTATIONS  
12 August 2011, Manado, Indonesia**

**JOINT MEDIA STATEMENT**

1. The Economic Ministers from the ten ASEAN Member States and the Minister of Commerce of the People's Republic of China met on 12 August 2011 for the Tenth AEM-MOFCOM Consultations. The consultations were co-chaired by H.E. Dr. Mari Elka Pangestu, Minister of Trade of Indonesia and H.E. Chen Deming, Minister of Commerce of China.

2. The Ministers noted that in 2010 trade between ASEAN and China showed a sharp rebound from the decline in 2009 following the global financial crisis. ASEAN's exports to China increased by 39.1%, from US\$ 81.6 billion in 2009 to US\$113.5 billion in 2010, moving up a notch to be ASEAN's second largest export destination. Imports rose by 21.8% from US\$96.6 billion in 2009 to US\$117.7 billion in 2010. China maintained its position as ASEAN's largest trading partner accounting for 11.3% of ASEAN's total trade. ASEAN was China's 4<sup>th</sup> largest trading partner accounting for 9.8% of China's total trade. For the first half of 2011, ASEAN became China's 3<sup>rd</sup> largest trading partner.

3. The Ministers noted that according to ASEAN statistics, the foreign direct investment flow from China to ASEAN declined by 32.0% from US\$3.9 billion in 2009 to US\$2.7 billion in 2010. According to Chinese statistics, China's direct investment in ASEAN has accumulatively reached US \$12.5 billion, nearly half of which was realized in the past two years

***ASEAN-China Free Trade Agreement***

4. The Ministers welcomed the completion of the text for Chapters on Sanitary and Phytosanitary (SPS) as well as Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP) which will be incorporated into the Trade in Goods (TIG) Agreement. The Ministers also recognised the on-going effort to finalise the text for Chapters on Customs Procedures and Trade Facilitations. These new Chapters were developed to enhance trade facilitation, particularly in the areas of rules of origin, SPS and TBT as well as customs clearance procedures which was recommended by the study on *ASEAN-China Free Trade Area Agreement: an Evaluation of its Trade Impact* which was undertaken to review TIG Agreement.

5. The Ministers adopted the common understanding reached at the 38<sup>th</sup> TNC on the implementation of the General Exclusion (GE) provision in the TIG Agreement which aimed to clarify the GE provisions in the TIG Agreement and provide transparency on the GE List maintained by Parties.

6. The Ministers were pleased to note that the Second Protocol to Amend the Agreement on Trade in Goods signed in November 2010 have been ratified by China and all ASEAN Member States. Look forward to its effective implementation by all Parties.

7. The Ministers looked forward to the signing of the Protocol to Implement the Second Package of Specific Commitments under the Agreement on Trade in Services of the Framework Agreement on Comprehensive Economic Co-Operation during the 14<sup>th</sup> ASEAN-China Summit in November 2011.

8. The Ministers emphasized the importance of smooth implementation on ASEAN-China Free Trade Agreement, and agreed that all Parties should continue their cooperation to enhance the utilisation on preferential policies of FTA.

9. In view that the TIG Agreement, the Trade in Services Agreement and the Investment Agreement under the Framework Agreement have been concluded and signed on 29 November 2004, 14 January 2007 and 15 August 2009, respectively, the Ministers endorsed the establishment of the ASEAN-China FTA Joint Committee in place of the ASEAN-China Trade Negotiations Committee (ACTNC). The Joint Committee's main tasks will include overseeing, supervising, coordinating and reviewing the implementation of the Agreement.

### ***Economic Cooperation***

10. The Meeting noted that during the global financial crisis in 2009, China established a USD 15 billion loan to ASEAN Member States for economic development. The loan has been mainly used for construction activities related to connectivity, in particular the construction of railway, highway, pipeline and ICT between China and ASEAN. China encouraged AMS to utilise the loan which is administered by six Chinese banks, namely China Development Bank, China EXIM Bank, Bank of China, Industrial and Commercial Bank of China (ICBC), China Construction Bank and China CITIC Bank.

11. The Ministers were pleased to note China's substantial investment in the Philippines, Cambodia and Thailand through the China-ASEAN Investment Cooperation Fund. The first phase of the Fund amounted to almost USD1 billion and is utilised mainly for infrastructure cooperation, energy and natural resources.

12. The Ministers noted the implementation of economic cooperation projects and activities under the ACFTA framework, which included the progress of the ASEAN-China FTA Business Portal (BIZ Portal) and the ASEAN-China FTA Conference for SMEs held on 7-9 June 2011 in Kuala Lumpur, Malaysia. The Ministers welcomed China's proposal to organise the Workshop on Post China-ASEAN FTA Age in December 2011 in Guizhou, China.

13. The Ministers were pleased with the success of the 7<sup>th</sup> China-ASEAN Expo (CAEXPO) and looked forward to the 8<sup>th</sup> CAEXPO scheduled on 21-26 October 2011 in Nanning, China.

14. The Ministers welcomed the conclusion of the feasibility study report on Pan-Beibu Gulf Economic Cooperation by the Joint Expert Group and agreed to table the said Report at the ASEAN-China Summit in Bali, Indonesia in November 2011.



#### **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 Prasidh**, Senior Minister and Minister of Commerce, Cambodia
3. **H.E. Chen Deming**, Minister of Commerce, China
4. **H.E. Mari Elka Pangestu**, Minister of Trade, Indonesia
5. **H.E. Mahendra Siregar**, Vice Minister of Trade, Indonesia
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. **H.E. Lim Hng Kiang**, Minister 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