

CONFIDENTIAL



**REPORT OF THE
ASEAN SENIOR ECONOMIC OFFICIALS
MEETING (SEOM 2/31)**



**4-5 April 2000
Vientiane, Lao PDR**



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THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

TABLE OF CONTENTS

**THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF THE
THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)
4-5 April 2000, Vientiane, LAO PDR**

TABLE OF CONTENTS

- I. Letter of Transmittal
- II. Report of the Second ASEAN Senior Economic Officials Meeting of The Thirty-First ASEAN Economic Ministers Meeting (SEOM 2/31) 4-5 April 2000, Vientiane, Lao PDR.
- III. Annexes:
 - 1. List of Delegates
 - 2. Agenda
 - 3. ASEAN Secretariat's Information Paper: Highlights of the Sixteenth Meeting of the Coordinating Committee on the Implementation of CEPT Scheme for AFTA (CCCA). Siem Reap, Cambodia, 28-29 March 2000
 - 4. ASEAN Secretariat's Information Paper: Highlights of the Fifteenth Meeting of the ASEAN Consultative Committee on Standards and Quality (ACCSQ). Singapore, 27-31 March 2000
 - 5. ASEAN Secretariat's Information Paper: Highlights of the First Meeting of the e-ASEAN Task Force (EATF). Manila, Philippines, 2-3 March 2000
 - 6. ASEAN Secretariat's Information Paper: Highlights of the First Meeting of the e-ASEAN Working Group (EAWG). Manila, Philippines, 3 March 2000 and EAWG Chairman's Statement
 - 7. Malaysia's Information Paper: Summary Report of the ASEAN Investment Promotion Mission to Tokyo, Japan, 27 February-1 March 2000
 - 8. Singapore's Information Paper: ASEAN Joint Investment Promotion Mission (the Tentative Programme of Activity). United States of America, 15-20 May 2000
 - 9. Thailand's Information Paper: Progress of the ASEAN Joint Investment Promotion and the Tentative Programme of Activity, in London, Paris, and Munich, 22-26 May 2000
 - 10. ASEAN Secretariat's Information Paper: Highlights of the Twenty-Sixth Meeting of the Working Group on Industrial Cooperation (WGIC). Chiang Mai, Thailand, 22-24 March 2000
 - 11. ASEAN Secretariat's Information Paper: Cooperation in Finance
 - 12. ASEAN Secretariat's Information Paper: Highlights of the Eleventh Meeting of the ASEAN National Tourism Organisations (NTOs). Bangkok, Thailand, 21-22 January 2000 and the Third Meeting of the ASEAN Tourism Ministers. Bangkok, Thailand, 23 January 2000

13. ASEAN Secretariat's Information Paper: Highlights of the Second Meeting of the ASEAN Senior Officials Meeting on Minerals (ASOM). Ha Noi, Viet Nam, 29-31 March 2000
14. ASEAN Secretariat's Information Paper: Highlights of the Special Senior Officials Meeting on Energy (SOME). Jakarta, Indonesia, 11 March 2000
15. Myanmar's Information Paper: Preparation for AEM Retreat. Yangon, Myanmar, 1 May 2000
16. Final List of Topics for the AEM Retreat, 1 May 2000, Yangon, Myanmar
17. ASEAN Secretariat's Information Paper: Highlights of the Preparatory Meeting for AEM+3, Yangon, Myanmar, 24 March 2000
18. Myanmar's Information Paper: Possible Areas Cooperation between ASEAN and China, Japan and Korea
19. ASEAN Secretariat's Information Paper: Highlights of the Inception Meeting of the High Level Task Force on the AFTA-CER Free Trade Area, Jakarta, Indonesia, 8-9 February 2000
20. ASEAN Secretariat's Information Paper: Highlights of the Second Meeting of the AMEICC Working Group on Human Resource Development, Phnom Penh, Cambodia, 9-10 March 2000
21. ASEAN Secretariat's Information Paper: Highlights of the Second Meeting of the AMEICC Working Group on West East Corridor Development, Hue Viet Nam, 22 March 2000
22. Philippines' Information Paper: Proposed Action Plan on the "Development of ASEAN Style"
23. ASEAN Secretariat's Information Paper: Highlights of the ASEAN-Pakistan Joint Business Council, Karachi, Pakistan, 20 February 2000 and Working Group on Trade Facilitation, Karachi, Pakistan, 21 February 2000
24. Brunei Darussalam's Information Paper: APEC 2000
25. Thailand's Information Paper: ASEM
26. Bangkok Declaration: Global Dialogue and Dynamic Engagement
27. ASEAN Secretariat's Information Paper: Highlights of the Regional Workshop on Competition Policy, Bangkok, Thailand, 6-10 March 2000
28. ASEAN Secretariat's Information Paper: Highlights of the ASEAN-SOM, Hua Hin, Thailand, 16-17 March 2000
29. Thailand's Information Paper: The First ASEAN-ANDEAN Cooperation in the New Millennium, Bangkok, Thailand, 28-29 April 2000



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Vientiane, Lao PDR, 4-5 April 2000

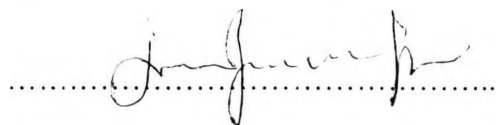
LETTER OF TRANSMITTAL

5 April 2000

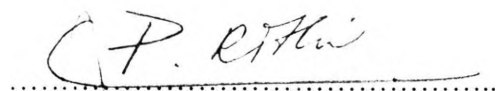
LETTER OF TRANSMITTAL

We have the honour to transmit herewith the Report of the Second ASEAN Senior Economic Officials Meeting for the Thirty First ASEAN Economic Ministers (SEOM-2/31) held in Vientiane, Lao PDR, 4-5 April 2000.

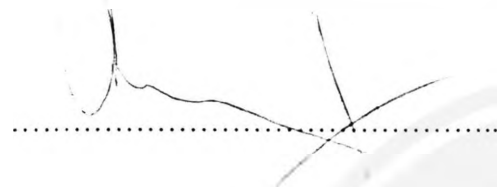
Accept, Excellency, the assurances of our highest consideration.



LIM JOCK HOI
Brunei Darussalam



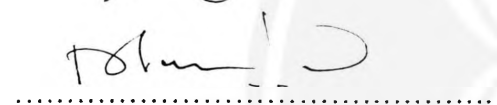
RITHY PICH
Cambodia



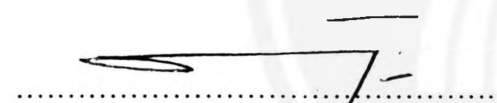
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Indonesia



BOUNSOM PHOMMAVIHANE
Laos



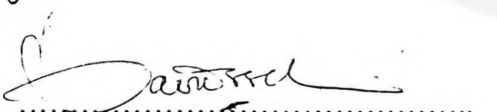
RAVIDRAN PALANIAPPAN
Malaysia



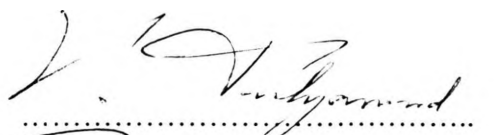
MAUNG MAUNG YI
Myanmar



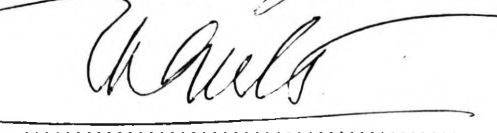
JOSE ANTONIO BUENCAMINO
Philippines



DAVID CHIN SOON SIONG
Singapore



VITHUN TULYANOND
Thailand



DANG VAN THANG
Vietnam

**Chairman,
ASEAN Economic Ministers**



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

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REPORT



**REPORT OF THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING
OF THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING
4-5 APRIL 2000, VIENTIANE, LAO PDR**

INTRODUCTION

1. The Second ASEAN Senior Economic Officials Meeting of the Thirty-First ASEAN Economic Ministers Meeting (SEOM 2/31) was held on 4-5 April 2000 in Vientiane, Lao PDR.
2. The Meeting was attended by representatives of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. Staff members of the ASEAN Secretariat were also in attendance. The List of Delegates appears as ANNEX 1.
3. The Meeting was chaired by Mr. David Chin Soon Siong, Deputy Chief Executive, Trade Development Board, Singapore.

AGENDA ITEM 1. ADOPTION OF THE AGENDA

4. The Meeting adopted the Agenda, which appears as ANNEX 2.

AGENDA ITEM 2. BUSINESS ARRANGEMENTS

5. The Meeting was held in plenary.

AGENDA ITEM 3. COOPERATION IN TRADE

**3.1 THE SIXTEENTH MEETING OF THE COORDINATING COMMITTEE
ON THE IMPLEMENTATION OF THE CEPT SCHEME FOR AFTA
(CCCA), SIEMREAP, CAMBODIA, 28-29 MARCH 2000**

6. The Meeting considered and endorsed the Report of the Sixteenth Meeting of the Coordinating Committee on the Implementation of the CEPT Scheme for AFTA (CCCA), which appears as ANNEX 3.

Last Tranche of TEL Manufactured Products

7. Malaysia agreed to circulate her proposed modality in advance of the AEM Retreat on 1-2 May 2000 in order to provide adequate time for Member Countries to study the modality.

Reductions in MFN Rates

8. The Meeting noted that the CCCA was seeking a common understanding on the implications to CEPT rates when MFN rates are reduced below them. The Meeting agreed that:

- (i) whenever the MFN rate is reduced so that it becomes lower than the CEPT rate, the lower rate would be extended as the CEPT rate. Notification should be given to all Member Countries about such a change; and
- (ii) whenever the MFN rate is subsequently raised above the CEPT rate, then the CEPT rate could revert to the original CEPT commitment/schedule. Notification should also be given to all Member Countries in such instances.

An example to illustrate the above understanding appears below:

1 January 2000

CEPT RATES

<i>MFN</i>	<i><u>New MFN</u></i>	<i><u>Year 2000</u></i>	<i><u>Year 2001</u></i>	<i><u>Year 2002</u></i>	<i><u>Year 2003</u></i>
20%	5%	10%	8%	7%	5%

⇐ The applied rate for CEPT should be 5%

1 January 2001

CEPT RATES

<i><u>New MFN</u></i>	<i><u>Year 2000</u></i>	<i><u>Year 2001</u></i>	<i><u>Year 2002</u></i>	<i><u>Year 2003</u></i>
15%	10%	8%	7%	5%

=> As of 1 January 2001, the applied rate for CEPT would be 8% when the MFN rate is raised to 15% from 5%

9. The Meeting agreed that a new legal enactment to reflect the changes in the CEPT rate need not be issued but is strongly encouraged.

PTA Products

10. On the issue of reciprocity in the granting of the margin of preference to products covered under the PTA Agreement, the Meeting noted that Malaysia was in the process of reviewing the matter and would revert on her position at the next CCCA Meeting.

Transfer of Sugar from TEL UAP into the Sensitive List

11. The Meeting noted that the Philippines would officially request the AFTA Council to transfer four tariff lines of sugar products from the TEL UAP into the Sensitive List. The Philippines explained that this was the first time that she would be seeking flexibility and that this had been put forward by the industry since 1997. In addition, she had requested to renegotiate her tariffs on sugar under Article XXVIII of WTO and compensation to affected WTO members would be discussed as a matter of course. She added that the sugar industry in the Philippines would be required to abide by a clear programme of adjustment.

12. Indonesia highlighted that sugar was previously in her Highly Sensitive List but that it had been transferred to the TEL UAP. In addition, she has not been imposing quotas on imports of sugar nor applying the WTO bound rates. She also highlighted that sugar would be the only product placed in Indonesia's Sensitive List.

13. Thailand requested Indonesia and the Philippines to reconsider the proposed transfer of sugar. Thailand highlighted the fact that, like other ASEAN countries, she has experienced economic difficulties but that she remained committed to the CEPT Scheme. Thailand also informed the Meeting that the CEPT Agreement had no provisions for flexibility apart from Article 6 (Emergency Measures).

14. The Meeting noted that both Indonesia and the Philippines would seek approval for this transfer at the next AFTA Council Meeting.

Government Procurement

15. The Meeting noted the progress made by the CCCA in discussing the matter and considered the need for convening a special task force or working group to discuss government procurement given that the matter comes under the purview of various agencies. The Meeting agreed that as part of the educative process, other ASEAN committees and working groups would be informed of the progress of the CCCA and consulted on the matter of government procurement.

Possible MRAs in Steel Products and Electric Lamps

16. The Meeting requested the CCCA to further consider the matter before requesting the ACCSQ to look into possible MRAs for steel products and electric lamps.

Anti-dumping

17. The Meeting noted that Thailand and Viet Nam would provide their views on the proposed early warning mechanism by the next CCCA. The Philippines highlighted the potential conflict of the mechanism with some of the provisions of the WTO Agreement on Anti-dumping. In this connection, the Meeting agreed that the matter should be conveyed to the CCCA for further deliberation.

3.2 THE FIFTEENTH MEETING OF THE ASEAN CONSULTATIVE COMMITTEE FOR STANDARDS AND QUALITY (ACCSQ), SINGAPORE, 27-31 MARCH 2000

18. The Meeting considered the Report of the Fifteenth Meeting of the ASEAN Coordinating Committee for Standards and Quality (ACCSQ), held in Singapore on 27-31 March 2000. The Report appears as ANNEX 4.

19. The Meeting noted the progress made in harmonisation of product standards for the twenty priority products. Recalling that the HPA requires the harmonisation process to be completed by year 2000, the Meeting urged the ACCSQ to expedite its work further. The Meeting agreed with the ACCSQ's recommendation that the activity on "Building up technical capacity for standards development, laboratory testing and conformity assessment" be retained in the AMEICC Work Programme, and that this matter be raised with Japan at the next SEOM-MITI Consultations. The Meeting endorsed the Report, subject to confirmation by Cambodia within two weeks after the meeting, as decided by SEOM 2/29 (3-5 March 1998, Brunei Darussalam).

4. COOPERATION IN e-ASEAN

20. The Meeting discussed Agenda Items 4.2 and 4.3 jointly.

4.1 THE FIRST MEETING OF THE e-ASEAN TASK FORCE (EATF), MAKATI, PHILIPPINES, 2-3 MARCH 2000

4.2 THE FIRST MEETING OF THE e-ASEAN WORKING GROUP (EAWG), MAKATI, PHILIPPINES, 3 MARCH 2000

21. The Meeting noted the outcomes of the First Meeting of the e-ASEAN Task Force held in Manila, Philippines on 2-3 March 2000, which appears as ANNEX 5. The Meeting also considered and endorsed the Report of the First Meeting of the e-ASEAN Working Group held in Manila, Philippines on 3 March 2000. The Report and the EAWG Chairman's Statement appear together as ANNEX 6.

22. The Meeting noted the decision of the Third ASEAN Informal Summit to establish a Free Trade Area (FTA) for goods, services and investments in the information and communication technology (ICT) sector under a new e-ASEAN Agreement. The Meeting further noted that the EATF is in the process of putting together their recommendations on the elements to be included in the proposed e-ASEAN Agreement, which is targeted for consideration by the ASEAN Leaders at the end of the year. Progress on the EATF discussions on the draft elements of the proposed e-ASEAN Agreement would be reported to the AEM Retreat in Yangon.

23. Malaysia noted the existence of three ASEAN Agreements covering liberalisation of goods, services and investments. Malaysia inquired into the necessity of another ASEAN agreement covering only one sector and inquired into the objective of the e-ASEAN Agreement.

Malaysia also highlighted the differences in levels of development of ASEAN Member Countries which would make it difficult for some Member Countries to abide by the commitments in the agreement. In addition, Malaysia expressed her reservation on the Agreement, given that the EATF has now proposed to include new elements such as adoption of appropriate legal and regulatory environment, protection of Intellectual Property Rights (IPR), guidelines on contents, and promoting personal data protection. As these issues are still evolving, it would be difficult to have a common understanding on them.

24. The Meeting endorsed the request contained in the Statement of the EAWG Chairman to work with the various ASEAN experts and working groups, such as the CCCA, CCS and the CCI, on the e-ASEAN Agreement. In this context, the CCCA Chairman informed the Meeting that the CCCA had started discussion on the elements of the FTA involving the information and communication technology (ICT) sectors in the proposed e-ASEAN Agreement. In addition, the CCCA Chairman informed the Meeting that initial analysis shows that most ICT products in ASEAN countries were already liberalised; hence, it would not be difficult to take this a step further to have a comprehensive FTA on ICT products.

25. The Meeting noted that the scope of the proposed e-ASEAN Agreement would be further deliberated during the Second EATF and the Second EAWG meetings. In noting that the EATF would be presenting the draft elements to the AEM Retreat, the Meeting agreed that Member Countries individually brief and advise their ministers based on the outcome of these meetings.

26. The Meeting further noted that the ASEAN Secretariat has circulated the EATF Project Proposal for SEOM's consideration prior to submission to the ASEAN Standing Committee (ASC). In this connection, the Meeting requested all Member Countries to submit their comments to the ASEAN Secretariat by 10 April 2000. The Meeting also agreed to submit the proposal to ASC, together with comments from Member Countries, for final consideration by the ASC.

5. COOPERATION IN INVESTMENT

5.1 ASEAN INVESTMENT MISSION, TOKYO, JAPAN, 28-29 FEBRUARY 2000

27. Malaysia briefed the Meeting on the outcomes of the ASEAN Investment Mission to Japan led by H.E. Dato Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia. Malaysia's information paper appears as ANNEX 7.

5.2 ASEAN INVESTMENT MISSION, UNITED STATES OF AMERICA, 15-20 MAY 2000

28. Singapore briefed the Meeting on the preparations for the ASEAN Investment Mission to the United States of America, which will be led by H.E BG (NS) George Yong-Boon Yeo, Minister for Trade and Industry, Singapore. The tentative programme of activity for this mission appears as ANNEX 8.

29. Singapore requested participation for the Investment Mission at the ministerial level. Singapore requested all Member Countries to submit the proposed list of participants for the mission at each of the three cities (New York, Minneapolis and San Francisco/San Jose) not later than 15 April 2000. Singapore also informed the Meeting that they will be organizing a working lunch on 15 May 2000 and requested confirmation of attendance of other countries by 15 April 2000.

5.3 ASEAN INVESTMENT MISSION, EUROPE, 21-27 MAY 2000

30. Thailand briefed the Meeting on the preparations for the ASEAN Investment Mission to Europe, which will be led by H.E. Mr. Abhisit Vejjajiva, Minister Attached to the Prime Minister's Office, Thailand. Thailand's information paper and the tentative programme of activity for this mission appear as ANNEX 9.

31. Thailand requested all Member Countries and the ASEAN Secretariat to submit to Thailand:

- (i) List of delegates by 10 April 2000;
- (ii) Five-minute speeches of CLMV participants by 28 April 2000;
- (iii) Presentation by the Secretary-General by 28 April 2000; and
- (iv) Mailing list of companies that they wish to see in London, Paris or Munich by 7 April 2000.

6. COOPERATION IN INDUSTRY

6.1 THE TWENTY-SIXTH MEETING OF THE WORKING GROUP ON INDUSTRIAL COOPERATION (WGIC), CHIANG MAI, THAILAND, 22-24 MARCH 2000

32. The Meeting considered and endorsed the Report of the Twenty-Sixth Meeting of the Working Group on Industrial Cooperation (WGIC), held in Chiang Mai, Thailand on 22-24 March 2000. The Report appears as ANNEX 10.

33. The Meeting agreed to the following recommendations of the WGIC:

- (i) to request for financial assistance from Japan to promote the AICO scheme to the Japanese trading companies in the form of a seminar or workshop in Tokyo;
- (ii) to request for financial assistance from Japan to conduct AICO workshops for the benefit of CLMV countries; and

- (iii) on the terms of reference of the ASEAN Competitiveness Study, to seek the views of all relevant ASEAN working groups for sectors that do not have corresponding AMEICC working groups.

34. The Meeting was informed that Malaysia is not agreeable to ASEAN proceeding with the feasibility study on the Product Community as AFTA is not yet fully in place. Further, the new members will only be completing their integration of products into the CEPT scheme between 2006-2010. In addition, the full impact of the implementation of AFTA is yet to be assessed by Member Countries. Given these reasons, Malaysia is of the view that it is premature for ASEAN to undertake the feasibility study on the Product Community.

7. COOPERATION IN FINANCE

35. The ASEAN Secretariat briefed the Meeting on the latest developments in finance. The Meeting also noted the Joint Press Statement issued by the ASEAN Finance Ministers at its fourth meeting held in Brunei Darussalam on 25 March 2000, which appears as **ANNEX 11**

36. The Meeting was informed that Protocol 2 on the Designation of Frontier Posts, Protocol 5 on the ASEAN Insurance Scheme and Protocol 7 on the Customs Transit System would be signed at the Informal AFMM+3 meeting on 6 May 2000 in Chiang Mai, Thailand. Noting that the objective of the Framework Agreement on the Facilitation of Goods in Transit was to promote the free flow of goods in the region, the Meeting expressed its concern on the long list of Prohibited and/or Restricted Goods not Permitted for Transit Transport, which will be annexed to Protocol 7. The Meeting therefore requested the Experts Committee on Customs Matters to re-examine the list with the view to shortening it. The Meeting requested Member Countries to raise this concern with their respective Customs Administrations.

8. OTHER SECTORAL COOPERATION

8.1 THE ELEVENTH MEETING OF THE ASEAN NATIONAL TOURISM ORGANISATIONS, BANGKOK, THAILAND, 21-22 JANUARY 2000 AND THE THIRD MEETING OF THE ASEAN TOURISM MINISTERS, BANGKOK, THAILAND, 23 JANUARY 2000

37. The Meeting noted the outcomes of the Eleventh Meeting of the ASEAN National Tourism Organisations and the Third Meeting of the ASEAN Tourism Ministers, which jointly appear as **ANNEX 12**.

8.2 THE SECOND ASEAN SENIOR OFFICIALS MEETING ON MINERALS (ASOM), HA NOI, VIET NAM, 29-31 MARCH 2000

38. The Meeting noted the outcomes of the Second ASEAN Senior Officials Meeting on Minerals, held in Ha Noi, Viet Nam on 29-31 March 2000, which appears as **ANNEX 13**.

8.3 THE SPECIAL SENIOR OFFICIALS MEETING ON ENERGY (SOME), JAKARTA, INDONESIA, 11 MARCH 2000

39. The Meeting noted the outcomes of the Special Senior Officials Meeting on Energy, held in Jakarta, Indonesia on 11 March 2000, which appears as ANNEX 14

9. AEM RETREAT

9.1 PREPARATION FOR AEM RETREAT, YANGON, MYANMAR, 1 MAY 2000

40. Myanmar briefed the Meeting on the preparations for the AEM Retreat, which will be held in Yangon, Myanmar on 1 May 2000. The information paper appears as ANNEX 15. Member Countries were requested to submit their list of delegates to Myanmar by 10 April 2000

41. The Meeting agreed to include additional topics to the ones proposed by Myanmar. These are agenda items on preparations for the AEM + 3, APEC and ASEM. The final list appears in ANNEX 16.

9.2 PREPARATION FOR AEM+3 MEETING, YANGON, MYANMAR, 2 MAY 2000

42. Singapore briefed the outcomes of the preparatory meeting of the SEOM+3 for the AEM+3, which appears as ANNEX 17. The Meeting also discussed the preparations for the AEM+3, which will be held back-to-back with the AEM Retreat.

Possible areas of cooperation

43. The Meeting noted the proposed areas of cooperation discussed by the prep-AEM + 3. Indonesia suggested emphasising the development of the ASEAN sub-regional growth areas. The Philippines suggested, among others, a discussion on Energy and Competition Policy; Myanmar suggested possible areas of cooperation in Agriculture, Industry and Tourism which appears as ANNEX 18.

44. The Meeting agreed on the following list of issues:

- (i) Strengthening efforts in accelerating trade, investment and technology transfer;
- (ii) Encouraging technical cooperation in information technology and e-commerce;
- (iii) Encouraging active participation in the development of growth areas involving ASEAN, including the Mekong River Basin;
- (iv) Heightening cooperative efforts on Human Resources Development;

- (v) Promoting broader private sector participation through networking initiatives such as East Asian Business Council and industries specific business fora;
- (vi) Promotion of agricultural, industrial cooperation and tourism;
- (vii) Strengthening small medium enterprises and Supporting industries;
- (viii) Cooperation in scientific and technological development;
- (ix) Coordination and cooperation in various international and regional fora; and
- (x) Others.

45. The ASEAN Secretariat would prepare a paper on these topics for circulation to the AEM + 3.

Meeting format and composition

46. The Meeting agreed that the composition of the AEM would be Ministers plus one official. Although the AEM Retreat will be an informal ASEAN meeting, given that this is the first AEM+3 and the preparations already made by Myanmar, the Meeting noted that the AEM+3 would be a formal meeting to be conducted as a plenary session.

Joint Press Statement

47. The Meeting agreed that a joint press statement would be issued by the AEM+3 meeting.

Informal AEM-MITI

48. The Meeting noted that Japan has requested for an Informal AEM-MITI Consultation. The Meeting agreed that should the consultations proceed, it should be held after lunch and it should be no more than one hour.

10. MATTERS RELATING TO ASEAN'S RELATIONS WITH DIALOGUE AND SECTORAL DIALOGUE PARTNERS

10.1 AFTA-CER LINKAGES

49. The ASEAN Secretariat briefed the Meeting on the outcome of the Inception Meeting of the High Level Task Force on the AFTA-CER Free Trade Area, held in Jakarta, Indonesia on 8-9 February 2000. The Meeting noted the Summary Record as appears in ANNEX 19.

50. Indonesia shared her assessment of the discussions held during the first meeting of the Task Force, and suggested that the SEOM take an active interest in the progress of the discussions, by keeping in touch with their respective eminent persons on the Task Force, as their recommendations would have significant implications on ASEAN.

51. Myanmar noted the larger potential of a free trade area with ASEAN+3 given the importance of ASEAN's relations with China, Japan and South Korea. However, the Meeting noted that these three North East Asian countries have not expressed a strong interest in establishing an FTA with ASEAN.

52. The Meeting agreed to hold the SEOM-CER Consultations at the next SEOM, in preparation for the AEM-CER Consultations in October 2000 in Bangkok, Thailand.

53. The Meeting noted that the Chairman of the AFTA-CER High Level Task Force would be presenting a progress report to the AEM Retreat.

10.2 ASEAN-CHINA

54. The Philippines informed the Meeting that there is now a proposal to reschedule the Second ASEAN-China Trade and Investment Seminar. In this connection, the Meeting requested Malaysia to follow-up with China on the revised project proposal for the Seminar.

10.3 ASEAN-EU

55. The ASEAN Secretariat briefed the Meeting on the outcome of the ASC 3/33 discussions on the ASEAN-EU project for Regional Integration Support (APRIS) and on the EU's proposal that ASEAN provide 20% counterpart funding for the project.

56. The Philippines informed the Meeting that she is proposing the following changes to the APRIS:

- (i) Revise the paragraph on trade in services to read as follows: "The ultimate objective is to facilitate progressive liberalisation of services between the two regions in the spirit of WTO and GATS";
- (ii) Revise the paragraph on government procurement to read as follows: "In order to ensure fair competition xxxx ways and means should be considered to increase transparency of government procurement policies in ASEAN"; and
- (iii) Revise the paragraph on investment promotion, facilitation and protection to read as follows: "A more predictable, transparent and non-discriminatory elements for investment would improve investment flows to ASEAN countries which have already suffered reduction in investment levels and investor confidence as a result of the financial crisis."

57. The Meeting agreed that the development of APRIS should be guided by ASEAN's interests. The Meeting recalled that SEOM 1/31 had requested Member Countries to submit their inputs on APRIS to Thailand, the country coordinator. The Meeting reiterated its request for Member Countries that have not done so to submit their comments to Thailand before the next ASC meeting, preferably by **10 April 2000**.

58. The ASEAN Secretariat also briefed the Meeting on the preparations for the forthcoming meeting among ASEAN textiles and garment quota administrators to discuss the modality of the ASEAN swap arrangement. The Meeting will be held on 8-9 May 2000 at the ASEAN Secretariat, and will include participation of representatives from the private sector through the participation of AFTEX. In preparation for the meeting, the ASEAN Secretariat also requested Member Countries to provide information on the textile quota utilisation.

59. The ASEAN Secretariat informed the Meeting of the EU's request for another SEOM-EU Consultation. In order to prepare for a possible consultation with the EU, the Meeting requested Thailand to seek the views of the ASEAN Brussels Committee on areas that SEOM should be discussing with the EU. The Meeting also requested the ASEAN Secretariat to seek the views of all SEOM coordinating committees and working groups on issues that could be raised with EU.

10.4 ASEAN-JAPAN

10.4.1 THE SECOND MEETING OF THE AMEICC WORKING GROUP ON HUMAN RESOURCE DEVELOPMENT, PHNOM PENH, CAMBODIA, 9-10 MARCH 2000

60. The Meeting noted the outcomes of the Second Meeting of the AMEICC Working Group on Human Resource Development, held in Phnom Penh, Cambodia 9-10 March 2000, which appears as ANNEX 20. The Meeting agreed to request Japan at the next SEOM-MITI Consultation for a firm clarification on the type of training and the number of participants trained under the Hashimoto and Obuchi Plans. The Meeting also agreed to highlight to Japan the need to be able to make decisions on the project proposals sent by ASEAN countries.

10.4.2 THE SECOND MEETING OF THE AMEICC WORKING GROUP ON WEST EAST CORRIDOR DEVELOPMENT, HUE, VIET NAM, 22 MARCH 2000

61. The Meeting noted the outcomes of the Second Meeting of the Working Group on West-East Corridor Development, held in Hue, Viet Nam on 22 March 2000, which appears as ANNEX 21.

10.4.3 PROPOSAL ON THE DEVELOPMENT OF ASEAN STYLE

62. The Philippines briefed the Meeting on the revised project proposal on the development of ASEAN Style. The Philippines' information paper appears as ANNEX 22. The Meeting further noted that Philippines had circulated a CD-ROM to Member Countries.

63. The Meeting noted that comments have been received only from Thailand, on the establishment of the textile councils and on the need to address both contemporary as well as traditional designs. The Meeting requested all remaining Member Countries to submit their comments to the Philippines before the next SEOM, if possible by 30 April 2000.

64. The Meeting agreed that the Philippines' design expert be invited to brief SEOM on the project proposal at the next meeting. In this connection, the Philippines requested each member country to bring their trade promotion experts to the next SEOM.

10.5 ASEAN-PAKISTAN

65. The ASEAN Secretariat briefed the Meeting on the outcomes of the ASEAN-Pakistan Joint Business Council and Workshop on Trade Facilitation held in Karachi, Pakistan, which jointly appears as **ANNEX 23**.

11. JOINT APPROACH TO INTERNATIONAL ECONOMIC RELATIONS

11.1 WTO

66. The Meeting agreed to invite the Chairman of the ASEAN Geneva Committee (AGC) to brief the Ministers on the latest developments in the WTO, during the AEM Retreat in Yangon, Myanmar, on 1 May 2000. In addition, the Meeting also agreed to have informal consultations with the AGC Chairman on 30 April 2000.

11.2 APEC

67. Brunei Darussalam briefed the Meeting on the theme of APEC 2000 and the preparations for the SME Ministerial Meeting. Brunei Darussalam highlighted four major areas for discussion at the SME Ministerial: HRD, ICT and the role of e-commerce, SME financing and strategic alliance between SMEs and large-scale enterprises and among SMEs. Brunei Darussalam also suggested that Member Countries encourage their SMES to participate in the activities to be held in conjunction with the ministerial meeting, such as the Business Forum and the E-Trade Fair. Brunei Darussalam's information paper appears as **ANNEX 24**.

11.3 ASEM

68. Thailand briefed the Meeting on the latest developments in ASEM. Thailand informed the Meeting that it would be circulating the consolidated list of NTBs to Member Countries once it is finalised. She also informed the Meeting about ongoing efforts to include trade ministers in ASEM 3, as was the practice in the previous Asia-Europe Summits. Thailand also requested Member Countries to provide their comments on the agenda and programme of the IEG, TFAP and SOMTI meetings by **17 April 2000**. Thailand's information paper appears as **ANNEX 25**.

69. On the issue of the ASEAN shepherd for ASEM-IEG, the Meeting noted that Viet Nam has considered the matter but would not be able to take up the responsibility. The Meeting requested Indonesia to consult their Ministry of Foreign Affairs and revert on her decision to Thailand, with a copy to the ASEAN Secretariat, by **30 April 2000**.

11.4 ASEAN-MEKONG BASIN DEVELOPMENT COOPERATION

70. The Meeting agreed to request both Malaysia and Viet Nam to consider the possibility of preparing a paper on a modality to engage Japan and South Korea as core group members of the AMBDC.

12. OTHER MATTERS

12.1 UNCTAD X, BANGKOK, THAILAND, 12-19 FEBRUARY 2000

71. Thailand briefed the Meeting on the outcome of the UNCTAD X, held in Bangkok, Thailand on 12-19 February 2000. The Bangkok Declaration: Global Dialogue and Dynamic Engagement appears as ANNEX 26.

72. Thailand also informed the Meeting that the ASEAN-UN Summit in Bangkok on 12 February discussed a variety of issues ranging from political and security issues to globalization, economic growth and development, and human resource development, as well as on the least developed areas in the region.

73. The Informal ASEAN-Japan Leaders' Meeting in Bangkok on 12 February also discussed a range of issues. The ASEAN Leaders requested Japan to convey their views on financial and economic matters to the G-8 Summit in Okinawa. The Leaders also agreed to Thailand's proposal to designate the decade 2000-2010 as the Decade of the Mekong Basin Development.

12.2 EXPO 2000, HANNOVER

74. The ASEAN Secretariat informed the Meeting that there was no funding assistance from the European Commission (EC) on ASEAN's request for the production of promotional materials on ASEAN for display at Member Countries' national booths or at the general display in EXPO 2000.

12.3 REGIONAL WORKSHOP ON COMPETITION POLICY

75. The ASEAN Secretariat briefed the Meeting on the outcome of the regional workshop on competition policy organised by the Australian Competition and Consumer Commission (ACCC) held in Bangkok, Thailand on 6-10 March 2000, which appears as ANNEX 27.

76. The Meeting endorsed the recommendation of the CCCA to request the Australian Competition and Consumer Commission (ACCC) that the coordination of future seminar/workshops on competition policy be coursed through SEOM leaders to ensure more appropriate representation. The Meeting noted that the ASEAN Secretariat would be circulating a project proposal on competition policy. The Meeting requested Member Countries to submit

their comments **within one week upon receipt of the proposal** in view of the need to submit the project proposal to UNCTAD before the end of April.

12.4 ASEAN-MERCOSUR SEMINAR

77. The Philippines informed the Meeting that she was still in discussion with Argentina regarding the preparations for the ASEAN-MERCOSUR Seminar, and that she would circulate information on the seminar to Member Countries once it is available.

12.5 EAST-ASIA LATIN AMERICAN FORUM

78. Singapore briefed the Meeting on the outcome of the Inaugural Meeting of the Officials of the East Asia Latin American Forum (EALAF) held on 1-3 September 1999 which was attended by 27 countries. The outcomes of the Forum were as follows:

- (i) A Foreign Ministers' Meeting would be held in Chile in the first quarter of 2001, to be preceded by two preparatory Senior Officials Meeting (SOM). (The Second EALAF Officials Meeting was subsequently scheduled from 16-18 August 2000 in Chile);
- (ii) EALAF would be the working name of the Forum pending consensus on a new appellation, and
- (iii) Seventeen confirmed projects covering political, economic, social and cultural areas were put forward at the Meeting.

12.6 ASEAN-SOM, HUA HIN, THAILAND, 16-17 MARCH 2000

79. The ASEAN Secretariat briefed the Meeting on the outcome of the ASEAN-SOM held in Hua Hin, Thailand on 16-17 March 2000, which appears as **ANNEX 28**.

80. The Meeting noted the proposed new arrangements on the annual ASEAN Summit. With regard to the proposed participation of SEOM leaders at the ASEAN-SOM+3 Meeting on 26 July 2000, the Meeting agreed that it would be up to each member country to decide on their participation at this meeting.

12.7 THE FIRST SYMPOSIUM ON ASEAN-ANDEAN COOPERATION IN THE NEW MILLENNIUM, BANGKOK, THAILAND, 28-29 APRIL 2000

81. Thailand briefed the Meeting on the forthcoming Symposium on ASEAN-ANDEAN Cooperation in the New Millennium. The Symposium originally scheduled for 28-29 April 2000 has now been rescheduled to May 2000, at the request of the Andean side. Thailand's information paper appears as **ANNEX 29**.

13. DATE AND VENUE OF NEXT MEETING

82. The Meeting agreed to hold the Third ASEAN Senior Economic Officials Meeting of the Thirty-First ASEAN Economic Ministers Meeting (SEOM 3/31) held on 17-19 July 2000 in Bangkok, Thailand.

14. CONSIDERATION AND ADOPTION OF REPORT

83. The Meeting considered and adopted the Report of the Second ASEAN Senior Economic Officials Meeting of the Thirty-First ASEAN Economic Ministers Meeting (SEOM 2/31) held on 4-5 April 2000, in Vientiane, Lao PDR.

ACKNOWLEDGEMENTS

The delegations from Brunei Darussalam, Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam and the ASEAN Secretariat expressed their appreciation to Lao PDR for the warm hospitality extended, excellent arrangements made and assistance rendered to the Meeting.





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 1



**ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF THE
THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)
4-5 April 2000, Vientiane, LAO PDR**

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THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

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ANNEX 2

**THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING
OF THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)
4-5 April 2000, Vientiane, Lao PDR**

AGENDA

1. Adoption of the Agenda
2. Business Arrangements
3. Cooperation in Trade
 - 3.1 The Sixteenth Meeting of the Coordinating Committee on the Implementation of the CEPT Scheme for AFTA (CCCCA), Siem Reap, Cambodia, 28-29 March 2000
 - 3.2 The Fifteenth Meeting of the ASEAN Consultative Committee for Standards and Quality (ACCSQ), Singapore, 27-31 March 2000
4. Cooperation in e-ASEAN
 - 4.1 The First Meeting of the e-ASEAN Task Force (EATF), Makati, Philippines, 2-3 March 2000
 - 4.2 The First Meeting of the e-ASEAN Working Group (EAWG), Makati, Philippines, 3 March 2000
5. Cooperation in Investment
 - 5.1 ASEAN Investment Mission, Tokyo, Japan, 28-29 February 2000
 - 5.2 ASEAN Investment Mission, United States of America, 15-20 May 2000
 - 5.3 ASEAN Investment Mission, Europe, 21-27 May 2000
6. Cooperation in Industry
 - 6.1 The Twenty-Sixth Meeting of the Working Group on Industrial Cooperation (WGIC), Chiang Mai, Thailand, 22-24 March 2000
7. Cooperation in Finance
8. Other Sectoral Cooperation

- 8.1 The Eleventh Meeting of the ASFAN National Tourism Organisations, Bangkok, Thailand, 21-22 January 2000 and the Third Meeting of the ASEAN Tourism Ministers, Bangkok, Thailand, 23 January 2000
- 8.2 The Second ASEAN Senior Officials Meeting on Minerals (ASOM), Ha Noi, Viet Nam, 29-31 March 2000
- 8.3 The Special Senior Officials Meeting on Energy (SOME), Jakarta, Indonesia, 11 March 2000
- 9. AEM Retreat
 - 9.1 Preparation for AEM Retreat, Yangon, Myanmar, 1 May 2000
 - 9.2 Preparation for AEM+3 Meeting, Yangon, Myanmar, 2 May 2000
- 10. Matters Relating to ASEAN's Relations with Dialogue and Sectoral Dialogue Partners
 - 10.1 AFTA-CER Linkages
 - 10.2 ASEAN-China
 - 10.3 ASEAN-EU
 - 10.4 ASEAN-Japan
 - 10.4.1 The Second Meeting of the AMEICC Working Group on Human Resource Development, Phnom Penh, Cambodia, 9-10 March 2000
 - 10.4.2 The Second Meeting of the AMEICC Working Group on West East Corridor Development, Hue, Viet Nam, 22 March 2000
 - 10.4.3 Proposal on Development on ASEAN Style
 - 10.5 ASEAN-Pakistan
- 11. Joint Approach to International Economic Relations
 - 11.1 WTO
 - 11.2 APEC
 - 11.3 ASEM
 - 11.4 ASEAN-Mekong Basin Development Cooperation
- 12. Other Matters

- 12.1 UNCTAD X, Bangkok, Thailand, 12-19 February 2000
- 12.2 Expo 2000, Hannover
- 12.3 Regional Workshop on Competition Policy
- 12.4 ASEAN-MERCUSOR Seminar
- 12.5 East-Asia Latin American Forum
- 12.6 ASEAN-SOM, Hua Hin, Thailand, 16-17 March 2000
- 12.7 The First Symposium on ASEAN-ANDEAN Cooperation in the New Millennium, Bangkok, Thailand, 28-29 April 2000
- 13. Date and Venue of Next Meeting
- 14. Consideration and Adoption of Report





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 3

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Agenda Item 3.1

Report of the Sixteenth Meeting of the Coordinating Committee on the Implementation of the CEPT Scheme for AFTA, 27-28 March 2000, Siem Reap, Cambodia

The Sixteenth Meeting of the Coordinating Committee on the Implementation of the CEPT Scheme for AFTA was held on 27-28 March 2000 in Siem Reap, Cambodia. The report of the meeting appears as **Annex A**.

Issues for SEOM's Consideration

2. The following issues were raised for SEOM's consideration or decision:

Last Tranche of TEL Manufactured Products

3. Malaysia and Thailand held bilateral consultations on 7 March 2000 in Kuala Lumpur. Both countries agreed to continue their bilateral discussions and planned to meet again. Malaysia informed the CCCA that she would submit her proposed modality before the AEM Retreat in May 2000 in Yangon, Myanmar.

Reductions in MFN Rates

4. Member Countries exchanged views with regard to the Interpretative Notes of Article 2.7 of the CEPT Agreement which states that:

“ Any change in the MFN rate is to be correspondingly reflected in the CEPT rate and tariff reduction schedule of member states as soon as possible”.

All countries agreed that when the MFN rate is reduced so that it becomes lower than the CEPT rate, the lower rate would be extended as the CEPT rate.

5. However, Malaysia, the Philippines, Thailand and Viet Nam were of the view that this should not affect the original CEPT tariff reduction schedule and countries should not be required to issue another legal enactment. In other words, if the MFN rate were to be later increased, the CEPT rate should be allowed to return to its original schedule. Singapore's understanding of the Interpretative Notes was that the lower MFN rate should also be reflected in the tariff reduction schedule, i.e., the reduction of the CEPT rate was permanent and had to be reflected in a legal enactment. Malaysia informed the Meeting that she was still conducting internal discussions to see whether the CEPT rate could be bound whenever MFN rates were reduced below the CEPT rate. The CCCA agreed to highlight to SEOM the differences in view among Member Countries on this issue.

PTA Products

6. Member Countries also had a different understanding on whether the 50% margin of preference (MOP) for PTA products would still apply when a country moved its product from the GE/SL/TEL into the Inclusion List, while another country continued to maintain that product in its GE/SL/TEL.

7. The Philippines, Singapore and Thailand were of the understanding that the reciprocity principle of the CEPT Agreement would now apply for products phased into the Inclusion List. Malaysia held the view that the provisions of the PTA Agreement would still apply and therefore that the MOP should continue to be extended to other ASEAN countries which maintain the product in the TEL/SL/GEL. The CCCA agreed to discuss this issue again at its next meeting and hoped to reach a common understanding on the matter there.

Import Ban on luxury vehicles with an engine capacity of 4,000 cc or more and cars with a price tag of US\$ 40,000 and above

8. The CCCA was briefed by Indonesia on her decree No. 49/2000 which bans imports of luxury vehicles with an engine capacity of 4,000 cc or more and cars with a price tag of US\$ 40,000 and above. The ban covers six tariff lines of CBUs, which were in Indonesia's last tranche of TEL manufactured products. Indonesia agreed to notify this matter to the next AFTA Council and also indicated that there were no ASEAN Countries producing cars with an engine capacity of 4,000 cc or more.

Transfer of Sugar from TEL UAP into the Sensitive List

9. The Philippines informed the CCCA that it would officially request the AFTA Council to transfer 4 tariff lines of sugar products from the TEL UAP into the Sensitive List. Indonesia also informed the CCCA that she was reviewing the status of sugar, which was currently included in her TEL UAP, and that she would probably transfer this product to the SL with the approval of AFTA Council.

Government Procurement

10. The Hanoi Plan of Action had mandated ASEAN to:

- a) *Establish a mechanism of information exchange and disclosure requirements to promote transparency of government procurement regimes by the year 2003 to facilitate participation of ASEAN nationals and companies;*
- b) *Establish contact points in 1999 to facilitate ongoing exchange of the above information;*
- c) *Encourage the liberalisation of government procurement.*

11. SEOM had assigned the task to the CCCA which has gone through an educative process throughout 1999. The CCCA noted that government procurement was handled by different agencies in different ASEAN Countries. The Meeting further noted that CCCA was not the only body that could look into the liberalisation of government procurement and agreed to recommend to SEOM that the progress made by the CCCA on this matter be communicated to the other bodies.

Possible MRAs in Steel Products and Electric Lamps

12. Noting the interest from Indonesia, Malaysia and Thailand on a possible MRA on steel products, the Meeting agreed to recommend to SEOM that the ASEAN Consultative Committee on Standards and Quality (ACCSQ) look into possible MRAs for steel products in ASEAN. Malaysia also suggested looking into electric lamps for possible MRAs.

- **SEOM may wish to consider the issues raised by the CCCA.**
- **SEOM may wish to endorse the report of the 16th CCCA.**

Issues for SEOM's Notation

Status of Year 2000 Legal Enactments

13. The following countries still have to issue their year 2000 legal enactments:

- Indonesia: She was waiting approval from her Ministry of Finance.
- Malaysia: She would be able to issue her legal enactment by the first week of April 2000.
- Philippines: The draft legal enactment needs to be approved by her economic minister. The legal enactment does not cover the products transferred from the GE List.

14. The following countries still need to translate their year 2000 legal enactments:

- Thailand: Thailand has issued her year 2000 legal enactment in December 1999 and it was still being translated.
- Viet Nam: The legal enactment was issued on 21 March 2000 and was in the process of being translated into English.

Follow-up to the Bold Measures: Year 2001 Package

15. Indonesia informed the CCCA that her 2001 package was already finalised and that with this, 90.04% of its IL would have tariffs between 0-5%. Malaysia was in the process of verifying the coverage of its 2001 package. The Philippines would need final clearance on its 2001 package. Thailand was in the process of finalising its year 2001 package. All four countries agreed to submit a final list to the AEM Retreat in Yangon.

Positive Transfers of Products from the General Exceptions List

16. Singapore had transferred 82 items into the Inclusion List from its GE List. Singapore's notification of products transferred from GE into IL included animal products, live plants, chewing gum, tobacco, pebble stones, firecrackers, toy currency, pocket gas lighters, petroleum and automotive products and took effect beginning 1 March 2000.



REPORT OF THE SIXTEENTH MEETING OF THE COORDINATING COMMITTEE ON THE IMPLEMENTATION OF THE CEPT SCHEME FOR AFTA

28-29 MARCH 2000, SIEM REAP, CAMBODIA

INTRODUCTION

The Sixteenth Meeting of the Coordinating Committee on the Implementation of the CEPT Scheme for AFTA was held on 28-29 March 2000 in Siem Reap, Cambodia.

2. The Meeting was attended by representatives of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. Staff members of the ASEAN Secretariat were also in attendance. The List of Delegates appears as ANNEX 1.

3. Mr. Khong Mun Pew, Director, Southeast Asia, Trade Development Board of Singapore chaired the Meeting.

OPENING REMARKS

4. Mr. Pech Sokhen, Vice Governor of Siem Reap province, Cambodia welcomed the delegates to the meeting and noted that this was the first ASEAN meeting being hosted by Cambodia. He also wished that the meeting would be productive in its outcomes.

AGENDA ITEM 1: ADOPTION OF AGENDA

5. The Meeting adopted the Agenda, which appears as ANNEX 2.

AGENDA ITEM 2: BUSINESS ARRANGEMENTS

6. The Meeting was held in plenary.

AGENDA ITEM 3: ACCELERATION OF AFTA

Follow-up to the Bold Measures: Year 2000 Package

7. The Meeting recalled that Thailand had already issued its legal enactment containing the year 2000 acceleration package. The Philippines informed the Meeting that she was in

the process of getting approval for the draft legal enactment from her new Economic Minister.

Follow-up to the Bold Measures: Year 2001 Package

8. The Meeting recalled that at the 15th CCCA, Indonesia, Malaysia, the Philippines and Thailand agreed to finalise their year 2001 CEPT package before the AEM Retreat in Yangon, May 2000. The 2001 acceleration package will include an additional 86 items from Indonesia, 132 items from Malaysia, 321 items from Philippines (even though she has to submit only 306 items) and 455 items from Thailand.

9. Indonesia informed the Meeting that her 2001 package was already finalised and that with this, 90.04% of its IL would have tariffs between 0-5%. Malaysia was in the process of verifying the coverage of its 2001 package. The Philippines would need final clearance on its 2001 package. Thailand was in the process of finalising its year 2001 package. All four countries agreed to submit a final list to the AEM Retreat in Yangon.

Follow-up to the Bold Measures: Year 2002 Package

10. For the purpose of transparency, the Meeting urged all Member Countries concerned to submit an indicative list of those products where flexibility will be exercised in the year 2002 at the 32nd AEM in Thailand.

AGENDA ITEM 4: LAST TRANCHE OF MANUFACTURED TEL PRODUCTS

11. The Meeting was informed that Malaysia and Thailand held bilateral consultations on 7 March 2000 in Kuala Lumpur. Both countries agreed to continue their bilateral discussions and planned to meet again.

12. The Meeting recalled that at the 15th CCCA, some Member Countries had urged Malaysia to submit its proposed modality on the 233 automotive items as soon as possible. In this regard, Malaysia informed the Meeting that she would submit her proposed modality before the AEM Retreat in May 2000 in Yangon.

AGENDA ITEM 5: REVIEW OF THE GENERAL EXCEPTIONS LIST

13. The Meeting considered the Secretariat paper on the Review of the General Exceptions List, which appears as ANNEX 3.

14. The Meeting noted that Singapore had transferred 82 items into the Inclusion List from its GE List. Singapore's notification of products transferred from GE into IL included animal products, live plants, chewing gum, tobacco, pebble stones, firecrackers, toy currency, pocket gas lighters, petroleum and automotive products and took effect beginning 1 March 2000. Further, Singapore informed the Meeting that all the 82 items had zero MFN rates and therefore did not require a new legal enactment to be issued. Singapore also requested the Secretariat to correct the information on its CEPT Product List for some of these GE items since the information shown are not the MFN rates but the excise duties applied to the products.

15. Brunei Darussalam indicated that she was still reviewing the GE items but may be able to announce something at the SEOM 2/31. The Philippines informed the Meeting that the 11 items to be transferred into the Inclusion List had been subjected to public consultations. Malaysia informed the Meeting that she was consulting other agencies on sugar and may be able to arrive at a decision soon.

16. The Meeting considered the existing GE List of Member Countries who have already submitted the outcomes of their GE review. The Meeting noted that some of the products in the existing GE may not comply with the provisions of Article 9B of the CEPT Agreement based on the review conducted by the Secretariat last year (1999). In this regard, the Meeting urged all concerned countries to revisit their GE to determine what can be further removed.

17. The Meeting noted that seven Member Countries had alcoholic beverages in their GE Lists. The Philippines was of the view that alcohol products should not be retained in the GE List for purposes of tax revenues. The Meeting recalled that the issue of alcoholic beverages in the GE had been discussed by the 13th AFTA Council and agreed to raise this matter up to the next AFTA Council.

18. The Meeting considered Indonesia's letter which highlighted the fact that there were products in its Inclusion List whose trade is banned or restricted by international conventions (such as the Montreal Protocol and the Basle Convention). Other Member Countries also confirmed that they faced the same situation. The Meeting noted the Philippines' suggestion that Member Countries should look into their lists carefully or qualify the descriptions of the products in the list so that only those items actually banned or restricted are reflected. Indonesia's letter and list of products covered by international conventions appears as ANNEX 4.

AGENDA ITEM 6: ELIMINATION OF NON-TARIFF BARRIERS

19. The Meeting discussed the ASEAN Secretariat's revised paper on Elimination of Non-Tariff Barriers, which appears as ANNEX 5.

20. The Meeting made several suggestions to improve the draft.

- (i) The title should be changed to "FAQs on Non-Tariff Issues (NTIs);
- (ii) Queries on NTIs should be sent directly to the National AFTA Units of Member Countries and all references to specific names should be deleted; and
- (iii) The FAQs should be organised by topics or subject matter

The Meeting agreed that Member Countries should provide their response on the Secretariat's draft by end of April 2000.

AGENDA ITEM 7: IMPLEMENTATION OF THE YEAR 2000 CEPT PACKAGE

21. The Meeting considered the Secretariat paper on Implementation of the Year 2000 CEPT Package, which appears as ANNEX 6.

22. On the issue of the legal enactment for year 2000, the Meeting noted the following:

- Indonesia: She was waiting approval from her Ministry of Finance.
- Malaysia: She would be able to issue her legal enactment by the first week of April 2000.
- Philippines: The draft legal enactment needs to be approved by her economic minister. The legal enactment does not cover the products transferred from the GE List.
- Singapore: The products transferred from the GE already have zero tariff rates; thus, she would not need to issue a legal enactment.
- Thailand: The legal enactment was still being translated.
- Viet Nam: The legal enactment was issued on 21 March 2000 and was in the process of being translated into English.

23. The Meeting noted the following corrections made by Myanmar, the Philippines and Thailand:

- Myanmar: She has 1,753 tariff lines in the 0-5% tariff category and 633 tariff lines in the above 5% category.
- Philippines: She has 5,571 tariff lines in the IL and 27 tariff lines in the GE.
- Thailand: She has 9,103 tariff lines in the IL, 7 tariff lines in SL and 9,110 total tariff lines. 7,737 tariff lines in the IL are in the 0-5% range and 1,366 tariff lines have tariffs above 5%.

24. The Meeting also noted some discrepancy between the countries' records and the Secretariat's. In this regard, the Secretariat clarified that Member Countries' tariff rates/HS codes are regularly updated or changed and this may explain the differences.

25. With regard to the issue of CEPT rates which are higher than MFN rates, the Meeting noted that the Secretariat had identified a total of 418 tariff lines comprising 38 items from Malaysia and 380 items from the Philippines affected by this problem. The Philippines clarified to the Meeting that her legal enactment has a provision which states that the lower MFN rates will automatically be applied for CEPT products. The Philippines requested the Secretariat to ensure that the qualification is provided in the future.

26. Member Countries exchanged views with regard to the Interpretative Notes of Article 2.7 of the CEPT Agreement which states that:

“ Any change in the MFN rate is to be correspondingly reflected in the CEPT rate and tariff reduction schedule of member states as soon as possible”.

All countries agreed that when the MFN rate is reduced so that it becomes lower than the CEPT rate, the lower rate would be extended as the CEPT rate.

27. However, Malaysia, the Philippines, Thailand and Viet Nam were of the view that this should not affect the original CEPT tariff reduction schedule and countries should not be required to issue another legal enactment. In other words, if the MFN rate were to be later increased, the CEPT rate should be allowed to return to its original schedule. Singapore's understanding of the Interpretative Notes was that the lower MFN rate should also be reflected in the tariff reduction schedule, i.e., the reduction of the CEPT rate was permanent and had to be reflected in a legal enactment. Malaysia informed the Meeting that she was still conducting internal discussions to see whether the CEPT rate could be bound whenever MFN rates were reduced below the CEPT rate.

28. The Meeting agreed to highlight to SEOM the differences in view among Member Countries on this issue. The Meeting also agreed to inform SEOM of the agreement reached that when the MFN rate is reduced so that it becomes lower than the CEPT rate, the lower rate will be extended as the CEPT rate. The Meeting further agreed on the need to inform all implementing agencies – such as customs authorities – on the understanding reached by Member Countries so as to avoid any difficulties in its implementation.

AGENDA ITEM 8: ANTI-DUMPING

29. The Secretariat briefed the Meeting on the revised paper on "early warning mechanism for anti-dumping". The Secretariat paper appears as ANNEX 7.

30. The Meeting noted that Indonesia, Malaysia and the Philippines had provided comments on the paper presented at the 15th CCCA. The revised paper had taken the comments of these countries into account.

31. The Meeting agreed that the early warning mechanism should only be confined to early exchange of information and was not intended to broker or negotiate deals or undertakings between exporters and importers. However, the Meeting noted that internal discussions were still going on in Thailand and Viet Nam, and that they needed more time to make a decision. The Meeting agreed to recommend to SEOM to adopt the proposed early warning mechanism once Thailand and Viet Nam have reached their decisions.

AGENDA ITEM 9: GOVERNMENT PROCUREMENT

32. The Meeting was briefed by Singapore on her paper on Government Procurement Agreement, which appears as ANNEX 8. The Meeting noted that government procurement was handled by different agencies in different ASEAN Countries. The Meeting further noted that CCCA was not the only body that could look into the liberalisation of government procurement and agreed to recommend to SEOM that the progress made by the CCCA on this matter be communicated to the other bodies.

AGENDA ITEM 10: FORM D

10.1 Substantial Transformation for Aluminium Semi-finished Products

33. The Meeting was briefed by Malaysia on the consultation held among the private sectors of Indonesia, Malaysia and Thailand with regard to the proposed substantial transformation rule. The Meeting noted that there were still some outstanding issues that needed to be settled. The record of the consultations appears as ANNEX 9.

34. Indonesia informed the Meeting that she could only endorse the substantial transformation rule for HS 7604 but that she needed more time to consult with her other associations. The Philippines stated that she was not in a position to agree to the proposals because of the objection of her industry. She was still consulting with her private sector whether there are tariff lines where substantial transformation could be applied. Thailand has raised the matter with her private sector and was still awaiting their reply.

35. Malaysia requested for a decision by the next CCCA, whether favourable or not, since her private sector had been anxiously waiting a decision on this matter. The ASEAN Secretariat would also write to Mr. K. H. Chan of the Federation of Malaysian Manufacturers to inform him of the status of the proposal.

10.2 Copies of Specimen Signatures and Official Seals

36. The Meeting recalled clause (a) of Rule 2 of the Operational Certification Procedures for the Rules of Origin of the ASEAN Common Effective Preferential Tariff Scheme for the AFTA that the member Country shall provide specimen signatures and specimen of official seals used by the Government authorities. In addition, clause (b) of Rule 2 of the said procedures states that " the above information and specimens shall be provided to every other Member States copy furnished to the ASEAN Secretariat. Any changes in names, addresses, or official seals shall be promptly informed in the same manner". The Meeting noted that the Secretariat had collected all specimens and official seals of the authorised officials that she had received and circulated to all CCCA leaders during this year, to provide updated and complete information to the CCCA. The copies of Specimen Signatures and Official Seals, which have been circulated to all Member Countries, appear collectively as ANNEX 10.

AGENDA ITEM 11: IMPLEMENTATION PROBLEMS OF THE CEPT SCHEME

37. The Meeting noted that a number of the implementation problems raised at the CCCA were bilateral in nature. In order to better manage the agenda of the CCCA, the Meeting agreed that in the future, all countries should try to resolve these problems first at the bilateral level before raising them to the CCCA. However, countries should keep the Secretariat informed of developments. If the issue could not be resolved amicably by the countries concerned, then any Member could propose that it be included in the CCCA agenda, at least one week before the meeting.

11.4 Malaysia's Exports of HS 3907.10.000 and HS 3709.99.000 to Thailand

45. The Meeting noted Malaysia's letter seeking clarification from Thailand on the above products, which appears as **ANNEX 14**. Malaysia indicated to the Meeting that she had included these products in the IL through the CEPT Legal Enactments of 1995 and 1997 respectively. The CEPT rates for HS 3907.10.000 in Malaysia was 0% and in Thailand was 5% while the duty for HS 3907.99.000 was 5% in both countries. However, Malaysia could not get the CEPT concession on these products. The Meeting noted that Thailand would verify this and revert to Malaysia directly.

11.5 Import Ban on Second-Hand Goods in Viet Nam

46. Malaysia informed the Meeting that Viet Nam has banned imports on second hand products including some which potentially could be traded. In this regard, Viet Nam agreed to provide its response to Malaysia as soon as possible.

AGENDA ITEM 12: TRADE VALUES

47. The Meeting noted the Secretariat paper on the trade performance of ASEAN countries during the first three quarters of 1999 and a trend analysis of ASEAN trade in the period 1993-1998, which appears as **ANNEX 15**. The Meeting noted that during the Jan-September 1999 period, total exports of Brunei Darussalam, Malaysia and the Philippines increased by 10.46%, 6.0% and 17.1% respectively over the same period in 1998. During the same period, intra-ASEAN exports of Brunei, Malaysia and the Philippines increased even more by 33.3%, 17.47% and 30.3% respectively. With regard to the long-term analysis of ASEAN trade, Thailand requested to the Secretariat to also include trade data prior to the implementation of the CEPT Scheme for AFTA.

AGENDA ITEM 13: OTHER MATTERS

13.1 The First Meeting of the e-ASEAN Task force (2-3 March 2000) and e-ASEAN Working Group (3 March 2000) in Makati City, Philippines

48. The Meeting noted the highlights of the meetings of the e-ASEAN Task Force and e-ASEAN Working Groups, which appear collectively as **ANNEX 16**.

49. The Meeting noted that in order to meet the Summit mandate for a free trade area in information and communications technology (ICT) related goods, services and investments, the Task Force had drawn up a draft e-ASEAN agreement. The Meeting further noted that the e-ASEAN Working Group had requested that CCCA look into the issue of liberalisation of ICT goods.

50. The Meeting recalled its decision at the 15th CCCA that the ASEAN Secretariat analyse the tariff schedules of ASEAN members on ITA 1 products to provide useful inputs to the e-ASEAN Task Force. The Secretariat paper had, among others, recommended that ITA members of ASEAN consider accelerating the elimination of import duties on ITA1 products by 2003, instead of deferring them to 2005.

51. With the same intention, Singapore circulated a list of ICT products and its analysis of the CEPT tariff rates on ICT products, which appear together as **ANNEX 17**. Singapore stated that, in its assessment, most ASEAN countries have already substantially liberalised ICT products, and that it would not be difficult to eliminate all duties on these products.

52. Indonesia informed the Meeting that it had undertaken internal consultations with its domestic industry and that they still had difficulties in accelerating the elimination of duties on 21 items to the year 2003. The Meeting noted that Malaysia and Thailand also expressed their difficulties in accelerating the elimination of duties on ITA products.

53. Malaysia noted the existence of three ASEAN agreements covering liberalisation of goods (CEPT Agreement), services (ASEAN Framework Agreement on Services) and investments (AIA Agreement). Malaysia inquired into the necessity of another ASEAN agreement covering only one sector and requested for more information on the objective of the e-ASEAN Agreement.

54. To provide CCCA inputs to the Task Force and Working Group as requested, the CCCA requested all Member Countries to look into the recommendations in the ASEAN Secretariat paper and product coverage contained in the list circulated by Singapore.

13.2 The Inception Meeting of the High Level Task Force on the AFTA-CER Free Trade Area, 8-9 February 2000, Jakarta, Indonesia

55. The Meeting noted the highlights of the Inception Meeting of the High Level Task Force on the AFTA-CER Free Trade Area, 8-9 February 2000, Jakarta, Indonesia, which appears as **ANNEX 18**.

56. The Philippine noted that the proposed coverage of the FTA went beyond trade in goods. The Philippines also noted that the elimination of all customs duties in the year 2010 for the initial six signatories to the CEPT Agreement did not apply to products covered by the Protocol on the Special Arrangement for Sensitive and Highly Sensitive Products. Finally, the Philippines emphasised the importance of ensuring WTO-consistency of the proposed FTA.

13.3 PTA Products

57. The Meeting considered the Secretariat paper on PTA Products, which appears as **ANNEX 19**.

58. The Meeting noted the PTA product list submissions of Indonesia, Philippines, Singapore and Thailand. Based on the Member Countries' submission, the Meeting noted that Indonesia has 9 PTA items; the Philippines has 39 PTA items; Malaysia has 54 PTA items; and Thailand has 7 PTA products. Brunei Darussalam would confirm the number of remaining PTA products as soon as possible.

59. Based on its previous discussion and the understanding reached, the Meeting agreed that:

- (i) The PTA Agreement will continue to apply for those PTA products that have not yet been integrated into the Inclusion List of the CEPT Scheme. In other

words, countries with PTA products in the GEL/SL/TEL must continue to give the 50% MOP to imports of those products from other ASEAN Members who are signatories to the PTA Agreement.

- (ii) A country cannot apply a CEPT rate that is less favourable than the previous PTA rate. At the time of the transfer of the PTA product into the Inclusion List of the CEPT Scheme, the CEPT duty must be equal to or lower than the 50% MOP.
- (iii) Since the new Members are not contracting parties to the PTA Agreement, they are not entitled to the PTA preferences being given by the original members.

However, the Meeting noted that Member Countries had a different understanding on whether the 50% MOP would still apply when a country moved its PTA product from the GE/SL/TEL into the Inclusion List, while another country continued to maintain that product in its GE/SL/TEL.

60. The Philippines, Singapore and Thailand were of the view that the reciprocity principle of the CEPT Agreement would now apply for products phased into the Inclusion List. Malaysia was of the view that the provisions of the PTA Agreement would still apply and therefore that the MOP should continue to be extended to other ASEAN countries which maintain the product in the TEL/SL/GEL. The Meeting agreed to discuss this issue again at its next meeting and hoped to reach a common understanding on the matter there. The Meeting agreed to keep SEOM informed of developments.

13.4. Indonesia's Ministerial Decree No. 49/2000 on Import Ban on Luxury Vehicles with an Engine Capacity of 4,000 cc or more and Cars with a price Tag of US\$ 40,000 and Above

61. The Meeting was briefed by Indonesia on her decree No. 49/2000 which bans imports of luxury vehicles with an engine capacity of 4,000 cc or more and cars with a price tag of US\$ 40,000 and above. The Meeting noted that the ban covers six tariff lines of CBUs, which were in Indonesia's last tranche of TEL manufactured products. Indonesia agreed to notify this matter to the next AFTA Council and also indicated that there were no ASEAN Countries producing cars with an engine capacity of 4,000 cc or more. Indonesia's Ministerial Decree appears as ANNEX 20.

13.5 Workshop on Competition Policy, 6-10 March 2000, Bangkok, Thailand

62. The Meeting noted the highlights of the Competition Policy Workshop "Making Markets Work" organised by the Australian Competition and Consumer Commission (ACCC) on 6-10 March 2000 in Bangkok, Thailand. The paper appears as ANNEX 21.

63. The Meeting noted the establishment of a virtual resource network for competition policy and a steering committee to develop a work plan/plan of action.

64. The Meeting noted that UNCTAD was prepared to provide assistance to ASEAN on competition policy. In this connection, the Meeting requested the Secretariat to circulate a

draft project proposal that would be submitted to the UNCTAD to all Member Countries for their comments.

65. The Meeting noted that the ACCC had invited individual Member Countries to the regional workshop. The Meeting requested the Secretariat to inform the ACCC that the coordination of future workshops on competition policy was better coured through SEOM leaders, since they would be in a better position to decide on the appropriate participants in the seminars/workshops.

13.6 Enhancing Capabilities of Less Developed ASEAN Members

66. The Meeting noted that a number of ASEAN countries were providing assistance to the less developed ASEAN members on a bilateral basis. To ensure that the assistance would better serve the interest of the less developed members, the Meeting requested them to submit proposals on technical assistance on AFTA or CEPT implementation which could be met through some of the bilateral programmes of the ASEAN countries.

13.7 Ratification of Protocol on the Special Arrangement for Sensitive and Highly Sensitive Products

67. The Meeting noted that the Philippines has ratified the Protocol on the Special Arrangement for Sensitive and Highly Sensitive Products. Her instrument of ratification appears as ANNEX 22.

68. The Meeting noted that products in the Sensitive List would have to be phased in beginning 1 January 2001. The Meeting recalled that indicative schedules of products to be phased into the CEPT Scheme were notified to the 11th AFTA Council in Malaysia in October 1997. Brunei Darussalam confirmed that it would phase in its Sensitive List as notified to the 11th AFTA Council. Malaysia informed the Meeting that its schedule was still being discussed internally. The Philippines informed the Meeting that pop corn and grain sorghum had already been transferred into the Inclusion List. Thailand informed the Meeting that the final schedule of phasing in its Sensitive List would be announced at the 14th AFTA Council in October 2000.

69. The Meeting noted that the Philippines would officially request the AFTA Council to transfer 4 tariff lines of sugar products from the TEL UAP into the Sensitive List. Indonesia also informed the Meeting that she was reviewing the status of sugar, which is currently included in her TEL UAP, and that she would probably transfer this product to the SL with the approval of AFTA Council.

13.8 Myanmar's Recent Trade Ban on Imports of Sugar

70. The Meeting noted the clarification from Myanmar that sugar was covered by her Trade Order 2/2000. In addition, she has a programme to produce sugar as a cash crop and her sugar production was sufficient for domestic consumption.

13.9 Preparatory Meeting for AEM+3, 24 March 2000, Yangon, Myanmar

71. The Chairman of the CCCA briefed the Meeting on the outcomes of the Preparatory Meeting for the AEM + 3 held in Yangon on 24 March 2000. The Meeting noted that the

SEOM Chairman would also brief his SEOM colleagues on the preparatory meeting at SEOM 2/31.

13.10 Schedule of Phasing in Laos' TEL Products

72. The Meeting noted that Laos had submitted the schedule of phasing in of her TEL products.

AGENDA ITEM 14: DATE AND VENUE OF NEXT MEETING

73. The Meeting agreed that the Seventeenth Meeting of the CCCA would be held in Viet Nam. The Meeting also agreed on a tentative date of 27-28 June 2000 for the meeting, but the date would be confirmed after the SEOM 2/31 in Lao PDR.

AGENDA 16: CONSIDERATION AND ADOPTION OF THE REPORT

74. The Meeting considered and adopted the Report of the Sixteenth Meeting of the Coordinating Committee on the implementation of the CEPT Scheme for AFTA held on 28-29 March 2000 in Siem Reap, Cambodia.

ACKNOWLEDGEMENT

The Meeting expressed its appreciation to Cambodia for the excellent arrangements made for the Meeting.

The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.

11.1 Exports to Malaysia of Activated Bleaching Earth from Indonesia

38. The Meeting noted the letters from Indonesia, the Secretariat and Malaysia on this issue which appear collectively as **ANNEX 11**. Malaysia clarified to the Meeting that imports of activated bleaching earth (HS 3802. 90.100) were subject to automatic import licensing for monitoring purposes.

11.2 CEPT Tariff Rate on Cotton Bag (HS 6305.39.000) of the Philippines

39. Indonesia sought clarification from the Philippines on the CEPT rates for cotton bag. Indonesia's latter and the Philippines' clarification appear together as **ANNEX 12**. The Philippines informed the Meeting that the MFN rates on cotton bags was reduced from 20% to 3%. Subsequently, the Philippines issued a legal enactment lowering the CEPT rate to 3%. However, the domestic producers have now petitioned for an increase of the CEPT rate under Article 6 (Emergency Action of the CEPT Agreement). The Philippine Tariff Commission will now undertake public consultations on this matter. The Philippines informed Indonesia that representatives of the Indonesian government could attend the public consultations and that the Philippines will provide Indonesia with a schedule of the public consultations.

40. In the meantime, the CEPT rate continues to be at 3% and Indonesia was urged to inform her private sector that cotton bag exports could still enter the Philippine market at this rate.

11.3 Compulsory Industrial Standards on Thai Steel Products

41. Indonesia raised its concern about compulsory industrial standards on Thai Steel products. Thailand's response appears as **ANNEX 13**. Thailand informed the Meeting that public hearings are now being conducted on the enforcement of compulsory industrial standards on structural steel and steel sheets. The proposed compulsory standards would apply both to imports and domestically-produced goods and were intended to address safety concerns.

42. Indonesia informed the Meeting that it was interested in ensuring that the testing, administrative and customs procedures to implement the proposed standards would not be too cumbersome or time consuming. Indonesia also raised the possibility of bilateral MOUs between Indonesia and Thailand as a way of addressing the concern of its exporters.

43. The Secretariat briefed the Meeting on the activities of the ACCSQ – particularly on harmonisation of product standards and development of mutual recognition arrangements. The Meeting noted that several working groups under ACCSQ had been formed to look into MRAs for specific sectors, namely, cosmetics, pharmaceuticals and electrotechnical products.

44. Noting the interest from Indonesia, Malaysia and Thailand on a possible MRA on steel products, the Meeting agreed to recommend to SEOM that ACCSQ look into possible MRAs for steel products in ASEAN. Malaysia also suggested looking into electric lamps for possible MRAs.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 4



Agenda Item 3.2

HIGHLIGHT OF THE FIFTEENTH MEETING OF THE ASEAN CONSULTATIVE COMMITTEE FOR STANDARDS AND QUALITY (ACCSQ) 28-29 MARCH 2000, SINGAPORE

The Fifteenth Meeting of the ASEAN Consultative Committee for Standards and Quality (ACCSQ) was held on 28-29 March 2000 in Singapore. The ACCSQ also had consultations with MITI (Japan) and with the CER Countries on 30 and 31 March 2000 respectively in Singapore. The Report of the 15th ACCSQ Meeting appears as **ANNEX 1** for consideration of the SEOM.

ACCSQ Chairmanship

2. Mr. Lee Suan Hiang, Chief Executive, Singapore Productivity and Standards Board, Singapore assumed the Chairmanship of the ACCSQ for the year 2000 from Mr. Jesus L. Motoomull, Director, Bureau of Product Standards, Department of Trade and Industry, Philippines.

Follow-up from the Third ASEAN Informal Summit, 13th Meeting of the AFTA Council, 31st AEM and SEOM 1/31

3. The ACCSQ Meeting discussed the follow-up actions to the decisions made by the Third ASEAN Informal Summit, 13th Meeting of the AFTA Council, 31st Meeting of the AEM and SEOM 1/31, which related to standards and conformity assessment.

Implementation of the ASEAN Framework Agreement on MRAs

4. The following progress has been achieved and noted at the ACCSQ Meeting:
- a) Final draft of the Interpretative Notes to the Framework Agreement on MRAs was endorsed by the SEOM 1/31 and efforts are being made to identify additional areas and sectors for development of MRAs;
 - b) For cosmetic sector, one set of technical documents is being finalised to support the implementation of the ASEAN Harmonized Regulatory Scheme;
 - c) For pharmaceutical sector, priority areas for harmonization were identified and assigned to specific task forces with a definite timeframe; and

- d) For electrotechnical sector, efforts are being made for an MRA, based on the APEC MRA and the ASEAN Framework Agreement on MRAs.

Harmonization of Standards

5. The ACCSQ considered the progress made in standards harmonization for 20 priority products groups and noted that efforts have been made to meet the target date of the year 2000 as mandated by the AFTA Council.

6. The Meeting also noted the following status:

- (i) A survey was conducted, which identified 58 relevant international standards for 20 priority product groups. Among the 58 standards, 26 are mandatory and 23 are voluntary in ASEAN Member Countries and 9 standards, where ASEAN Countries do not have national standards;
- (ii) Out of the 58 international standards, 10 standards have been already aligned in ASEAN. Details of the harmonization appear as **ANNEX 2**;
- (iii) Although ACCSQ is working on harmonization, some regulators in ASEAN for electrical and electronics do accept IEC standards;
- (iv) In addition to the 20 priority product groups, ACCSQ is also looking into identification of other product groups for harmonization in ASEAN. The following groups were recommended for harmonization beyond the year 2000: telecommunications, electrical and electronics, food, medical devices, personnel protection, plastics, chemical and petroleum and automotive and components.

SEOM may wish to take note of the above progress

Consultation with MITI (Japan)

7. The ACCSQ had consultation with MITI Japan on 30 March 2000 in Singapore. The main discussions were on the TQM Project (Phase II), its framework, coordination and implementation mechanism. Compared to the Phase I, some improvement was made with regard to the participation of Brunei Darussalam and Singapore in Phase II. However, the ACCSQ reiterated its position on the non-discrimination principle and requested the MITI (Japan) to consider that the Phase II would be the ASEAN Project, whereby all ten ASEAN Members could participate.

8. The ACCSQ also recommended to the AMEICC Secretariat to retain in its Work Programme activity on “Building up technical capacity for standards development, laboratory testing and conformity assessment” in view of its importance to ASEAN.

**SEOM may wish to take note of the
matter for consideration at the SEOM-MITI Consultation**

SEOM may wish also to endorse the Report of the Fifteenth ACCSQ Meeting



**REPORT OF THE FIFTEENTH MEETING OF THE
ASEAN CONSULTATIVE COMMITTEE FOR STANDARDS AND QUALITY
28-29 March 2000, Singapore**

INTRODUCTION

The Fifteenth Meeting of the ASEAN Consultative Committee for Standards and Quality (ACCSQ) was held on 28-29 March 2000 in Singapore. The Meeting was chaired by Mr. Lee Suan Hiang, Chief Executive, Singapore Productivity and Standards Board, Singapore.

2. The Meeting was attended by Pengiran Hj Matusin Matasan, Surveyor General, Ministry of Development, Brunei Darussalam; Mr. Herudi Kartowisastro, Director-General, National Standardisation Agency, Indonesia; Mr. Nheune Sisavad, Director-General, Department of Intellectual Property, Standardisation and Metrology, Sciences, Technology and Environment Agency, Prime Minister's Office, Lao PDR; Mr. Mah Lok Abdullah, Director-General, Department of Standards Malaysia, Malaysia; Mr. Jesus L. Motoomull, Director, Bureau of Product Standards, Department of Trade and Industry, Philippines; Mr. Teo Nam Kuan, General Manager, Singapore Productivity and Standards Board, Singapore; Mr. Pairoj Sanyadechakul, Deputy Secretary General, Thai Industrial Standards Institute, Thailand; Dr. Nguyen Huu Thien, Director-General, Directorate for Standards and Quality, Viet Nam and their respective delegations. Staff Members of the ASEAN Secretariat were also in attendance. The Meeting was also attended by Ms. Shirley Ong, President, ASEAN Cosmetics Association.

AGENDA ITEM 1: ADOPTION OF AGENDA

3. The Meeting adopted the agenda as amended, which appears as ANNEX 1.

AGENDA ITEM 2: ROLL CALL

4. The Meeting conducted a roll call of the delegates to the Meeting. All Member Countries, except Cambodia and Myanmar, were represented at this Meeting. The list of delegates appears as ANNEX 2.

AGENDA ITEM 3: HAND-OVER ACCSQ CHAIRMANSHIP AND ELECTION OF CO-CHAIRMAN

5. Mr. Jesus L. Motoomull handed over the Chairmanship of the ACCSQ to Mr. Lee Suan Hiang, Chief Executive, Singapore Productivity and Standards Board. Mr. Jesus L. Motoomull was elected as the Co-Chairman of the Fifteenth ACCSQ Meeting.

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6. Mr. Lee Suan Hiang, ACCSQ Chairman delivered his welcome remarks. The ACCSQ Chairman welcomed all delegates to the Fifteenth ACCSQ Meeting, particularly the new ACCSQ Member from Malaysia, Mr Mah Lok Abdullah, Director-General, Department of Standards Malaysia as well as the return of Pengiran Hj Matusin Matasan, Surveyor General, Ministry of Development, Brunei Darussalam to the ACCSQ Meeting.

7. The ACCSQ Chairman expressed his confidence that with a clear vision and strategy, ACCSQ will be able to achieve its objectives and the Fifteenth Meeting of the ACCSQ will be efficient and productive.

8. Mr. Jesus L. Motoomull extended his appreciation to all ACCSQ Members for the support and assistance during his chairmanship. He also thanked the Chairs and Co-Chairs of all the Working Groups and Product Working Groups; Malaysia and Thailand for hosting the ACCSQ Meeting as well as the Meetings of the WGs and the PWGs. He noted that co-operation between the ACCSQ, the relevant regulatory agencies and private sectors would produce concrete outputs to facilitate the realization of AFTA. Mr. Jesus L. Motoomull expressed his confidence that the ACCSQ Members, under the chairmanship of Singapore, would continue the efforts towards facilitation of the removal of the Technical Barriers to Trade for AFTA.

9. The ASEAN Secretariat thanked the Singapore Productivity and Standards Board for arrangements made for the Meeting and noted the achievements of the ACCSQ, which include, among others, the following:

- (i) Finalisation of the Interpretative Notes to the ASEAN Framework Agreement on MRAs by the WG 1 and then by the ACCSQ in October 1999;
- (ii) Product Working Groups initiated by the ACCSQ, which provide a forum for National Standards Bodies, Regulators and Industries to work together towards the elimination of TBTs.

10. In appreciation of the ACCSQ efforts, the Certificate of Appreciation from the Secretary-General of ASEAN was presented to the 1999 ACCSQ Chairman, Mr. Jesus L. Motoomull.

AGENDA ITEM 4: BUSINESS ARRANGEMENTS

11. The Meeting was held in plenary.

AGENDA ITEM 5: FOLLOW-UP FROM THE THIRD ASEAN INFORMAL SUMMIT

12. The Meeting agreed to discuss this Agenda Item together with the Agenda Item 6.

AGENDA ITEM 6: FOLLOW-UP FROM THE 13TH MEETING OF THE AFTA COUNCIL, 31ST MEETING OF THE AEM AND SEOM 1/31

13. The ASEAN Secretariat briefed the Meeting on the following:
- (i) The outcomes of the Third ASEAN Informal Summit held on 27-28 November 1999 in Manila, Philippines and the follow-up activities agreed by SEOM 1/31 held on 27-29 January 2000 in Jakarta, Indonesia; and
 - (ii) The relevant decisions made by the 13th Meeting of the AFTA Council and 31st Meeting of the AEM held on 29 and 30 September 1999 in Singapore respectively, and SEOM 1/31 held on 27-29 January 2000 in Jakarta, Indonesia.
14. The ASEAN Secretariat's paper appears as **ANNEX 3**.
15. The Meeting noted that the AEM urged ACCSQ to expedite the negotiations on sectoral MRAs and requested additional sectors be identified for possible MRAs. The Meeting further noted the concern expressed by SEOM on the limited progress made in the area of the harmonization of standards for the priority product groups.
16. The Meeting agreed to discuss the follow-up actions from the Third ASEAN Informal Summit, AFTA Council, AEM Meetings and SEOM in the respective agenda items.

AGENDA ITEM 7: MATTERS ARISING FROM THE FOURTEENTH ACCSQ MEETING

7.1 ACCSQ Strategic Plan (1998-2000) and ACCSQ Work Programme (1995-2003) guided by the Hanoi Plan of Action for Standards and Conformity Assessment

17. The Meeting was briefed by the Philippines on the status of the ACCSQ Work Programme, which incorporated the latest Work Programmes of all WGs and PWGs. The Revised ACCSQ Work Programme appears as **ANNEX 4**.
18. The Meeting noted that Singapore as the 2000 Chairman of the ACCSQ would maintain and update the ACCSQ Work Programme.
19. The Meeting agreed that the ACCSQ Work Programme be posted in the ASEAN Secretariat Homepage on Standards and Conformity Assessment.

AGENDA ITEM 8: THE ACCSQ MEETING IN BEIJING, CHINA, 20 OCTOBER 1999

20. The Meeting was briefed by the 1999 ACCSQ Chairman on the outcome of the ACCSQ Meeting held in Beijing, China on 20 October 1999. The highlights and the

Summary Report of the said Meeting appear together as ANNEX 5. The final draft Interpretative Notes to the ASEAN Framework Agreement on MRAs appears as ANNEX 6.

21. The Meeting noted that it is the responsibility of the ACCSQ as a regional standards body recognised by ISO to invite the representative of the ISO to attend ACCSQ Meeting.

22. In this connection, the Meeting agreed to extend the invitation to the Secretary-General of ISO to attend some parts of the ACCSQ Meeting to get an update information on ISO activities, but not for the entire Meeting of the ACCSQ. Some Members suggested to conduct a workshop or seminar as offered by ISO, prior to the next ACCSQ Meeting, which will be held in Bali, Indonesia to make the visit of the ISO Secretary-General meaningful.

23. The Meeting agreed that the ACCSQ Chairman with the inputs from Thailand as the Chair of the WG3, would explore the possibility of organizing a seminar or workshop and inviting the ISO Secretary-General to attend the opening session of the ACCSQ Meeting, taking into account the following:

- (i) topics to be addressed at the seminar or workshop;
- (ii) funding arrangements for the seminar or workshop; and
- (iii) timing for the workshop or seminar as well as for the ACCSQ Meeting.

24. The Meeting endorsed the Summary Record of the ACCSQ Meeting held in Beijing, China on 20 October 1999.

AGENDA ITEM 9: CONSIDERATION OF THE WORKING GROUP REPORTS

9.1 Report of the Sixth Meeting of the ACCSQ Working Groups' Chairs and Co-Chairs, 27 March 2000, Singapore

25. The ACCSQ Chairman briefed the Meeting on the outcome of the Sixth Meeting of the ACCSQ Working Groups' Chairs and Co-Chairs held on 27 March 2000 in Singapore.

26. The Meeting reiterated that all the working groups should meet at least once before ACCSQ Meeting in order to deliver substantial progress. The Meeting requested the ASEAN Secretariat to monitor the holding of meetings and to remind the Chairs of the respective WGs and PWGs as necessary.

27. The Meeting agreed on the need for ACCSQ Members to be informed on the progress made by the PWGs in a timely manner. In this regard, the Meeting requested the ASEAN Secretariat, after each Meeting of the PWGs, to forward a copy of the Report to ACCSQ Members.

28. The Meeting also agreed to standardise the name of the ACCSQ Product Working Groups and recommended that the name of the product or sector to be put before the “Product Working Group” and for the current PWGs, the name should be as follows:

- (i) The ACCSQ Cosmetic Product Working Group or in short the Cosmetic PWG;
- (ii) The ACCSQ Pharmaceutical Product Working Group or in short the Pharmaceutical PWG; and
- (iii) ACCSQ Electro-Technical Product Working Group or in short the Electro-Technical PWG.

29. The Meeting adopted the Report of the Sixth Meeting of the ACCSQ Working Group Chairs and Co-Chairs, which appears as ANNEX 7.

9.2 Progress Report of the ACCSQ Working Group on Mutual Recognition Arrangements (WG1)

30. The Co-Chair of WG1 briefed the Meeting on the progress made by the WG 1. The Co-Chair’s Report appears as ANNEX 8.

31. The Meeting noted that the WG1 is in the process of identification of additional sectors for possible MRAs. The Meeting further noted that 8 Member Countries have responded to the survey questionnaire circulated by Singapore to gather information for identification of other product sectors for MRAs. The Meeting urged the remaining two Member Countries to submit the response to the ASEAN Secretariat as soon as possible.

32. The Meeting commended the WG1 in finalising the Interpretative Notes to the Framework Agreement on MRAs and encouraged the WG1 to work closely with other WGs, particularly with the PWGs, who are embarking on the development of sectoral MRAs.

33. Brunei Darussalam informed the Meeting that Mr. Lim Lam Keong had retired and she would nominate a replacement for the Chair of the WG1 soon.

9.3 Progress Report of the ACCSQ Working Group on Regulations and Accreditation (WG 2)

34. The Philippines on behalf of the Chair of the WG 2 highlighted to the Meeting the progress made by the WG on Regulations and Accreditation. The progress report appears as ANNEX 9.

35. The Meeting discussed and urged those Member Countries who have yet to submit the information on the survey of regulators and technical infrastructure needs for 20 priority product groups to do so as soon as possible.

36. With regard to the project proposal on the Study Visit to Developed Accreditation Bodies, the Meeting noted that the WG2 had approved the project and it is waiting for funding assistance.

37. The Meeting agreed to use the ASQP fund, including possible saving from the ACCSQ-CER projects for the implementation of the Study Visit.

38. The Meeting requested the WG2, Singapore and the ASEAN Secretariat to make necessary arrangements for the Study Visit, taking into account the fact that the Study Visit is open to all ASEAN Member Countries.

9.4 Progress Report of the ACCSQ Working Group on Standards and Conformity Assessment (WG 3)

39. Thailand on behalf of the Chair of the WG3 highlighted to the Meeting the progress made by the Working Group on Standards and Conformity Assessment. The Chair's Report appears as ANNEX 10.

40. Thailand informed the Meeting that Ms. Kanya Sinsakul was no longer the Chair of WG3 and that Thailand will nominate a replacement for the Chair of the WG3 soon.

41. With regard to harmonization of standards in the 20 priority product groups, the Meeting noted that the WG3 had made certain progress and agreed to highlight it to SEOM for information. The Meeting also agreed to include to the report to SEOM the acceptance of IEC standards by some ASEAN regulators.

42. In view of the importance of the consultative network to facilitate exchange of information on standards and conformity assessment issues, the Meeting requested the WG3 to activate the implementation of the network.

9.5 Progress Report of the ACCSQ Working Group on Information (WG 4)

43. The Chair of the WG 4 highlighted to the Meeting the progress made by the WG on Information. The Chair's Report appears as ANNEX 11.

44. With regard to the publication of the ASEAN Standards and Quality Bulletin, the Meeting noted that the 9th issue of the bulletin could be accessible from the BPS homepage and that Philippines is in the process of printing the bulletin.

45. The Meeting requested the WG4 to discuss various alternatives such as advertisement, subscription, use of internet and collective funding in order to sustain the publication of the bulletin.

9.6 Report of the Second Meeting of the ACCSQ Product Working Group on Cosmetics, 8-9 September 1999, Kuala Lumpur, Malaysia

9.7 Report of the Third Meeting of the ACCSQ Product Working Group on Cosmetics, 7-8 March 2000, Bangkok, Thailand

46. The Meeting agreed to discuss the above Agenda Items together.

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47. The Philippines on behalf of the Chair of the Cosmetic PWG highlighted to the Meeting the progress made and the outcomes of the Second and Third Meetings of the ACCSQ Product Working Group on Cosmetics. The Reports of the Meetings and the Revised Action Plan of the PWG appear as ANNEX 12.

48. The Meeting noted that industries continue to show strong interest and support to the work of the PWG on Cosmetics. The Meeting also noted that the Work Programme of the PWG had been revised and that the ad-hoc Groups will be meeting in Bangkok in June/July 2000 to finalise the technical documents to support the implementation of the ASEAN Harmonised Regulatory Scheme. The Meeting encouraged the PWG to finalise the technical documents as soon as possible.

49. The Meeting endorsed the Reports of the Second and Third Meeting and the Revised Work Programme of the ACCSQ Product Working Group on Cosmetics.

9.8 Report of the First Meeting of the ACCSQ Product Working Group on Pharmaceuticals, 6-7 September 1999, Kuala Lumpur, Malaysia

9.9 Report of the Second Meeting of the ACCSQ Product Working Group on Pharmaceuticals, 5-6 March 2000, Bangkok, Thailand

50. The Meeting agreed to discuss the above Agenda Items together.

51. The Chair of the Pharmaceutical PWG briefed the Meeting on the outcomes of the First and Second Meeting of the ACCSQ Product Working Group on Pharmaceuticals held in Kuala Lumpur, Malaysia on 6-7 September 1999 and in Bangkok, Thailand on 5-6 March 2000 respectively. The highlights and the Reports appear together as ANNEX 13.

52. The Meeting endorsed the TOR, Work Programme of the PWG and the Reports of the First and Second Meeting of the PWG on Pharmaceuticals.

9.10 Report of the First Meeting of the ACCSQ Electro-Technical Product Working Group, 8-9 December 1999, Ha Noi, Viet Nam

53. The ASEAN Secretariat on behalf of the Chair of Electro-Technical PWG briefed the Meeting on the progress made and the outcome of the First Meeting of the ACCSQ Electro-Technical PWG held on 8-9 December 1999 in Ha Noi, Viet Nam. The highlights and the Report appear together as ANNEX 14.

54. Some Member Countries expressed the view that the PWG should make use of the existing APEC MRA for electrical and electronics equipment.

55. With regard to Japan's participation and the relationship with the AMEICC WG on Consumer Electronics, the Meeting agreed that the membership of the PWG be confined to ASEAN Member Countries and that the Japanese experts could be invited as speakers or observers on a case by case basis.

56. The Meeting endorsed the Terms of Reference, Chairmanship, Work Programme and the Report of the First Meeting of the Electro-Technical PWG, which appear together in ANNEX 15.

AGENDA ITEM 10: ASSISTANCE TO NEW MEMBERS

10.1 Assistance to Cambodia, Lao PDR and Myanmar

57. Lao PDR informed the Meeting that she had adopted the National Master Plan on Standards and Conformity Assessment, which was based on the draft and proposal developed by the Philippines. Lao PDR expressed her sincere thanks and appreciation to Philippines for the assistance.

58. The Meeting noted the proposal from Singapore to inform the CER Countries of the National Master Plan of the Lao PDR, to explore the possibility of obtaining assistance from the CER Countries for it, and consider similar approaches for other New Members of ASEAN.

59. The Meeting further noted the following efforts to assist the New Members:

- (i) ACCSQ Chairman 1999 had submitted the request and project proposals to Hanns Seidel Foundation;
- (ii) The integrated project proposal to assist Lao PDR on Standards and Conformity Assessment is being considered by UNIDO and that the Secretary-General of ASEAN has urged UNIDO to provide support to the New Members of ASEAN.

AGENDA ITEM 11: FUNDING STATUS

11.1 Report on the Funding Status of the ASEAN Standards and Quality Programme (ASQP)

60. The Meeting noted the ASEAN Secretariat's paper on the funding status of the ASEAN Standards and Quality Programme, which appears as ANNEX 16.

61. The Meeting noted that a total of 19 projects have been conducted under the funding support of ASQP since 1997 and that the remaining fund is US\$ 9,820.10.

62. The Meeting agreed that all project coordinators and/or relevant Working Groups conduct assessment on the implementation of their respective activities under the ASQP for consideration and endorsement at the next ACCSQ Meeting.

11.2 Funding for the Project Proposals

63. The ASEAN Secretariat briefed the Meeting on the status of UNDP ASP-6 Projects and the ASEAN-Australia Development Cooperation Programme (AADCP). The ASEAN Secretariat's paper appears as ANNEX 17.

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AGENDA ITEM 12: PROGRESS REPORTS ON DIALOGUE PARTNERS AND FUTURE COOPERATION PROGRAMMES

12.1. ASEAN-Japan Cooperation

12.1.1 Implementation of the TQM Project

64. Thailand briefed the Meeting on the outcome of the Final TQM Expert Meeting held on 10-11 November 1999 in Tokyo, Japan. Thailand's paper appears as ANNEX 18.

12.1.2 Preparation for the 2nd Meeting of ASEAN-Japan Committee on Standards and Conformity Assessment

65. The Meeting was briefed by Thailand and the ASEAN Secretariat on preparations for the 2nd Meeting of ASEAN-Japan Committee on Standards and Conformity Assessment, which will take place on 30 March 2000.

66. The Meeting noted that Japan had revised the draft Record of Discussion (ROD) on the implementation of the Second Phase of the TQM Project and Dialogue on Standards and Conformity Assessment. The revised draft ROD appears as ANNEX 19.

67. The Meeting acknowledged the effort of Japan and agreed in principle to the Second Phase of the implementation of the TQM Project. However, the Meeting agreed to defer the signing of the ROD as Member Countries would require more time to consider the draft ROD and consult with relevant agencies.

68. The Meeting noted the draft provisional agenda for the 2nd Meeting of ASEAN-Japan Committee on Standards and Conformity Assessment, prepared by Japan, which appears as ANNEX 20. The Meeting discussed the draft and agreed on the following:

- (i) The title of the Meeting be changed from "ACCSQ-MITI" as proposed by Japan to "ASEAN – Japan" for consistency;
- (ii) With regard to the Agenda Item 7.1, ASEAN should seek clarification from Japan on whether the technical cooperation offered was on bilateral or multilateral basis. The Meeting also agreed to request that the assistance from Japan be tailor-made to the specific needs of the ACCSQ Members;
- (iii) The ACCSQ Chairman would brief Japan on the Agenda Item 7.2 on the ASEAN Activities on Standards and Conformity Assessment : and
- (iv) With regard to the Agenda Items 7.3 and 7.4, the discussion should be limited to exchange of information.

12.2 ASEAN-EU Cooperation

12.2.1 Highlights of the Third Meeting of the 33rd ASEAN Standing Committee and the First SEOM-EU Consultation

12.2.2 ASEAN – EC Regional Co-operation Programme on Standards, Quality and Conformity Assessment

69. The ASEAN Secretariat highlighted to the Meeting the outcomes of the Third Meeting of the 33rd ASEAN Standing Committee held on 1-3 March 2000 and the First SEOM-EU Consultation held on 28 January 2000. The ASEAN Secretariat's paper appears as **ANNEX 21**.

70. The Meeting noted that the 1999 ACCSQ Chairman had relayed the ACCSQ concern to the EC over the delay of the implementation of the ASEAN-EU Regional Cooperation Programme on Standards, Quality and Conformity Assessment in September 1999. However, no response was received from the EC. The Meeting further noted that SEOM had also requested explanation from the EC on the matter.

71. In this connection, the Meeting agreed that ACCSQ Chairman would send a letter to the EC senior official, requesting the information on whether the Programme would be implemented and when it could be implemented. The ASEAN Secretariat agreed to advise the appropriate contact person in the EC to the ACCSQ Chairman.

12.3 ASEAN-US Cooperation

72. Malaysia briefed the Meeting on the latest developments in ASEAN-US Cooperation on Standards and Conformity Assessment.

73. The Meeting noted that no substantial progress had been made in the ASEAN-US cooperation. However, the Meeting agreed on the need to embark on cooperation with the US and requested Malaysia to follow up on the matter.

12.4 ASEAN-New Zealand Cooperation

74. The ASEAN Secretariat briefed the Meeting on the outcome of the Seventh Meeting of the ASEAN-New Zealand Economic Cooperation Programme Joint Management Committee held on 15-17 February 2000 in Bandar Seri Begawan, Brunei Darussalam. The highlights of the Meeting appear as **ANNEX 22**.

75. Viet Nam briefed the Meeting on the implementation of ASEAN-New Zealand Metrology Training Program and that Cambodia is in the process of selecting the candidate for training. Viet Nam's paper appears as **ANNEX 23**. The Meeting expressed its appreciation to Viet Nam for coordinating the project.

12.5 ASEAN- CER Cooperation

12.5.1 Implementation of ACCSQ-CER Action Plans

12.5.2 Preparation for the 9th ACCSQ-CER Meeting

76. Singapore briefed the Meeting on the implementation status of ACCSQ-CER Action Plan. Singapore's paper appears as ANNEX 24.

77. The Meeting agreed on the following:

- (i) Project 3.6 to be continued;
- (ii) Projects 8.2.3 and 8.2.5 to be transferred into group of projects under SRBs; and
- (iii) Project 19.3 to be cancelled and the allocated fund for this project to be used to support the study visit as mentioned in paragraph 36 and 37 of this Report as well as other activities to be decided later by the ACCSQ.

78. With regard to the Project 8.2.1, which was not yet endorsed by the ACCSQ, the Meeting agreed to retain the activity under the ACCSQ-CER Action Plan in view of the importance of the activity to ASEAN. However, recognizing that the APMP is currently undertaking the activity, the Meeting agreed that the activity be pursued under the APMP.

79. The Meeting exchanged views on the ASEAN-CER Action Plans and agreed on the following issues to be raised during the consultation:

- (i) Seek the view and commitment from the CER Countries for the 14 projects under the coordination of CER Countries that are yet to be endorsed and the need to submit progress reports for ACCSQ-CER consideration; and
- (ii) Seek clarification on the status of projects under the SRBs and its relevance to the ACCSQ-CER cooperation.

AGENDA ITEM 13: STATUS REPORT

13.1 AFTA/CEPT Progress

80. The ASEAN Secretariat briefed the Meeting on the progress of CEPT Scheme for AFTA. The ASEAN Secretariat's information paper appears as ANNEX 25.

13.2 APEC Development on Standards and Conformity Assessment

81. Brunei Darussalam highlighted to the Meeting the outcome of the First Meeting of the APEC Sub-Committee on Standards and Conformance (SCSC) held on 18-19 February 2000 in Bandar Seri Begawan, Brunei Darussalam. The highlights and the Reports of the Meeting appear as ANNEX 26.

82. The Meeting noted that a number of APEC SCSC projects have been initiated and coordinated by some ASEAN Member Countries as follows:

Existing Projects:

- (i) Joint HRD WG/SCSC Activity Projects (International Quality Assurance Schemes)
- (ii) Quality Systems for Calibration Services at National Metrology Institutes
- (iii) MRA Readiness Project
- (iv) 3rd APEC Conference on Standards and Conformance

New Projects already endorsed by SCSC for approval by CTI and APEC BMC:

- (v) APMP Experts' Training for APEC Member Economies
- (vi) APEC Speakers Bureau on Standards Based Management System

83. As a Project Overseer, the Philippines invited member countries to contact her for further details regarding the projects. The Philippines also requested Member Countries in APEC SCSC for their full support and commitment to the projects.

84. The Meeting extended its appreciation to Brunei Darussalam and the Philippines for their efforts and contribution as the Chair of the APEC SCSC and Project Overseer, respectively.

AGENDA ITEM 14: EXCHANGE OF INFORMATION

14.1 Update on ISO Matters

85. Malaysia and Singapore briefed the Meeting on the outcomes of the ISO Council Meetings held on 23 October 1999 in Beijing, China and on 27-28 January 2000 in Geneva. The paper appears as ANNEX 27.

14.2 Update on IEC Matters

86. The Philippines briefed the Meeting on the outcome of the IEC General Meeting held in Kyoto, Japan on 18-29 October 1999. The paper appears as ANNEX 28.

14.3 Update on WTO TBT/SPS Agreements

87. Thailand highlighted to the Meeting on the outcomes of the 19th Meeting of the Committee on TBT held on 23-24 February 2000 and the 16th Meeting of Committee on SPS held on 10-11 November 1999 in Geneva. Thailand's information paper appears as ANNEX 29.

14.4 ASEM Development on Standards and Conformity Assessment

88. Thailand briefed the Meeting on the outcome of the 4th Meeting of ASEM/TFAP/Standards and Conformity Assessment held in Bangkok on 28 February - 1 March 2000. Thailand's information paper appears as ANNEX 30.

14.5 Asian Productivity Organization (APO) Development

89. Viet Nam briefed the Meeting on the latest development of the Asian Productivity Organization (APO). Viet Nam's paper appears as ANNEX 31.

90. The Meeting agreed with Viet Nam's proposal to encourage CLM Countries to join the APO to benefit from the APO's activities.

14.6 Update on Codex Matter

91. The Meeting noted the ASEAN Secretariat's paper on Codex Matter, which appears as ANNEX 32.

14.7 Member Countries' Latest Development on Standards and Conformity Assessment

92. Indonesia, Malaysia, Singapore and Viet Nam briefed the Meeting on the latest development on Standards and Conformity Assessment in their respective Countries. The information papers appear together as ANNEX 33.

AGENDA ITEM 15: OTHER MATTERS

15.1 ISO Occupational Health and Management Standards

93. The Meeting noted that many countries have developed their own national standards on OHSMS and noted the situation between ILO and ISO on the subject. The Meeting was of the view that there is a need for one set of international standards.

15.2 Attendance of the ACCSQ Chairman in SEOM

94. The Meeting recalled its earlier decision for ACCSQ Chairman to attend SEOM Meeting and recognised the importance for SEOM to get first hand information from the ACCSQ Chairman. Taking into account that the importance for the ACCSQ Chairman to be present in SEOM varies between Meetings, the Meeting agreed that the ASEAN Secretariat circulate in advance the agenda of SEOM Meeting for the information of the ACCSQ Chairman. The Meeting further agreed that the decision to attend the SEOM Meeting would be at the discretion of the ACCSQ Chairman.

AGENDA ITEM 16: DATE AND VENUE OF THE NEXT MEETING

95. The Meeting agreed that the next ACCSQ Meeting will be held in Bali, Indonesia in the 2nd half of August 2000. The exact date will be communicated by Indonesia in due course.

AGENDA ITEM 17: CONSIDERATION AND ADOPTION OF THE REPORT

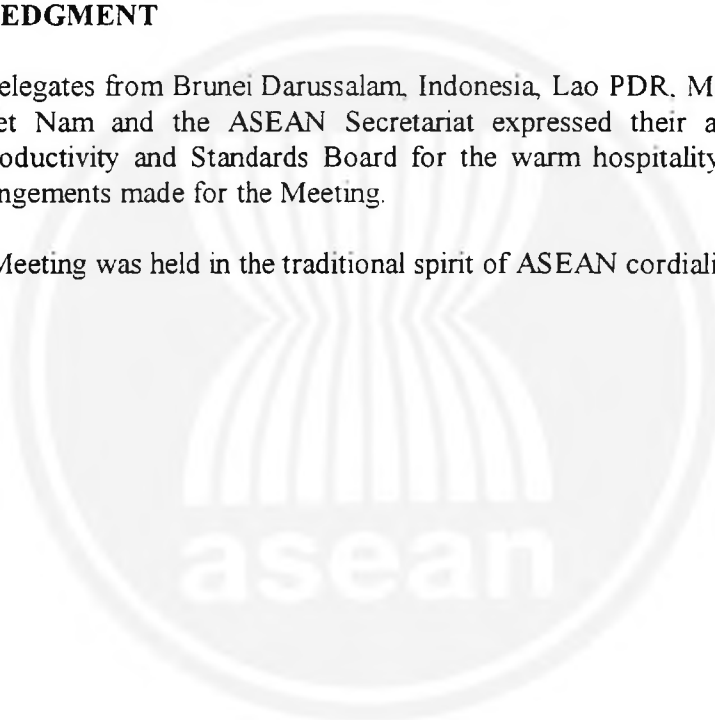
96. The Meeting considered and adopted the Report of the Fifteenth Meeting of the ASEAN Consultative Committee for Standards and Quality held on 28-29 March 2000 in Singapore.

97. The Meeting agreed that the Secretariat would forward the Report to Cambodia and Myanmar for their comment and consideration within two weeks.

ACKNOWLEDGMENT

The delegates from Brunei Darussalam, Indonesia, Lao PDR, Malaysia, Philippines, Thailand, Viet Nam and the ASEAN Secretariat expressed their appreciation to the Singapore Productivity and Standards Board for the warm hospitality extended and the excellent arrangements made for the Meeting.

The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity



Categorization of 20 Identified Products Groups for Harmonization

Category I: Products with regulated standards

Products/standards	Countries with regulation
1. Air Conditioner (HS 8415) (1) IEC 335-1 (safety) (2) IEC 335-2 (air conditioner)	M/P/S/V P/S/V
2. Refrigerator (HS 8418) (1) IEC 335-1 (safety) (2) IEC 335-2 (refrigerators) (3) ISO 8187 (freezer)	M/P/S/V M/P/S/V V
3. Inductors (HS 8504) (1) IEC 920 – FL Ballast (safety) (2) IEC 921 – FL Ballast (performance)	M/P/S/T M/P/T
4. Video Apparatus (HS 8521) (1) EC 65 (safety)	M/P/S/V
5. Telephones (HS 8522) (1) ITU – T P 310	S
6. Radio (HS 8527) (1) IEC 65 (safety)	M/P/S/V
7. Televisions (HS 8528) (1) IEC 65 (safety)	M/S/V
8. Switches (HS 8528) (1) IEC 155 (starters) (2) IEC 238 (Lamp holder) (3) IEC 269 (fuses) (4) IEC 400 (Lamp holder) TFL (5) IEC 669 (Switches – requirement) (6) IEC 884 (Plug-socket) (7) IEC 898 (Circuit breakers) (8) IEC 947-2 (switch gear circuit breakers) (9) IEC 1058-1 (switches for appliances)	M/P/T M/P M/P/T P/T P M/P/S M/P M/P V
9. Rubber Condoms (HS 4014) (1) ISO 4074-1 (2) ISO 4074-2 (3) ISO 4074-3 (4) ISO 4704-5 (5) ISO 4704-6 (6) ISO 4704-7 (7) ISO 4704-9 (8) ISO 4704-10	M/S/T M/S M/S M/S M/S M/S M/S M/S
10. Rubber Gloves (HS 4015) (1) ISO 11193 (2) ISO 1282	L/M/T L/M/T

Category II : Products where ASEAN members had only voluntary standards

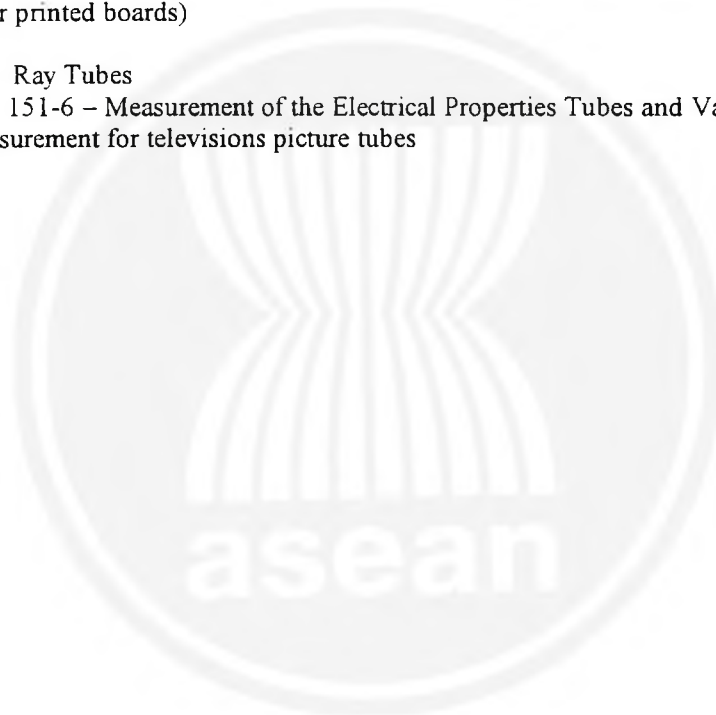
Products/standards	Countries with regulation
1. Air conditioner (HS 8415) (1) ISO 5151 (non-ducted air conditioner)	P/T
2. Refrigerators (HS 8418) (1) ISO 7371 (with/without low temperature compartments) (2) ISO 8561 (frost free)	P/T P
3. Monitor and Keyboard (HS 8471) (1) ISO/IEC 9995-1	T/V
4. Motors and Generators (HS 8501) (1) IEC 34-1 (rating performance) (2) IEC 34-8 (3) IEC 34-9	M/T/V V V
5. Loudspeakers (HS 8518) (1) IEC 268-1 (general) (2) IEC 268-5 (loudspeakers)	M/T/V T/V
6. Parts of TV and Radio (HS 8529) (1) IEC 597-1	M/T/V
7. Capacitors (HS 8532) (1) IEC 62 (marking codes) (2) IEC 384-4 (aluminum electrolytic capacitors)	M/T S/T
8. Resistors (HS 8533) (1) IEC 115-1	M/P/T
9. Printed Circuits (HS 8534) (1) IEC 326-4 (plain holes) (2) IEC 326-5 (plated through holes) (3) IEC 326-6 (multi layer) (4) IEC 326-7 (without through connection) (5) IEC 326-8 (through connection) (6) IEC 326-9 (multi layer with through connection) (7) IEC 326-10 (flex rigid) (8) IEC 326-11 (9) IEC 326-12	S S S S S S S S S
10. Cathode Ray Tubes (1) IEC 151-6	T

Category III: Products where there are no national standards

Products/standards	Countries with regulation
1. Motor and Generators (HS 8501) (1) IEC 34-2 (2) IEC 34-3	
2. Inductors (HS 8504) (1) IEC 723-1	
3. Video Apparatus (HS 8521) (1) IEC 574	
4. Telephones (HS 8522) (ITU –T P 31	
5. Parts of TV and Radio (HS 8529) (1) IEC 1062	
6. Capacitors (HS 8532) (1) IEC 384-1	
7. Mounted Piezo-electronic Crystal (HS 8534)	
8. Cathode Ray Tubes (HS 8540) (1) IEC 151-14 (2) IEC 441	
9. Diode (HS 8541)	

List of 10 Standards (Harmonised/aligned with International Standards)

1. Refrigerator
 - (1) ISO 8187 – Household refrigerating appliances
 - (2) ISO 8561 – Household frost-free refrigerating appliances
2. Printed circuits
 - (1) IEC 326-4 – Specification for single and double sided printed boards with plain holes
 - (2) IEC 326-5 – Specification for single and double sided printed boards with plated-through holes
 - (3) IEC 326-6 – Specification for multi layer printed boards
 - (4) IEC 326-9 – Specification for flexible multi layer printed boards with through connections
 - (5) IEC 326-10 – Specification for flex-rigid double – sided printed boards with through connections
 - (6) IEC 326-11 – Specification for flex-rigid multi layer printed boards with through connections
 - (7) IEC 326-12 – Specification for mass lamination panes (semi-manufactured multi layer printed boards)
3. Cathode Ray Tubes
 - (1) IEC 151-6 – Measurement of the Electrical Properties Tubes and Valves: Methods of measurement for televisions picture tubes





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 5



Agenda Item 4.1

Highlights of the First Meeting of the e-ASEAN Task Force (EATF)

I Introduction

1 The first meeting of the e-ASEAN Task Force (EATF) was held on 2-3 March 2000 in Makati City, Philippines. The Summary Record appears as Annex A.

II Highlights for SEOM's notation

2. To fully utilize electronic means of communications, the EATF is setting up a website at www.e-aseantf.org, which will include the following features: repository of relevant documents (including minutes of meetings, discussion forum, meeting schedules and focal points), bulletin board, linkages with regional news agencies/websites, linkages with relevant regional agencies, feedback facility and possibly internet chat.

3. The EATF agreed that coverage of the proposed e-Agreement include not only liberalization of trade in goods, services and investments, but also to include: facilitation of e-commerce through adoption of the appropriate legal and regulatory environment; protection of intellectual property rights; development of physical infrastructure; ensuring accessibility to all levels of society and human resources development; guidelines on content; promoting personal data protection; and promoting e-government. These were defined in terms of policy priorities and projects under three dimensions: Economy, Society and Government.

4. The EATF also agreed on a set of objectives, business models and project selection principles that will guide the process of launching e-ASEAN projects. An initial list of projects and their respective shepherds were identified.

5. The above elements of the EATF work program will be further fine-tuned in the next meeting to provide clear-cut deliverables for implementation by the EAWG. The next meeting of the EATF is scheduled on 24-25 April 2000 in Singapore.

SEOM may wish to note the above developments.

III Highlights for SEOM's consideration

6. The Informal AEM held on 25 November 1999 and the Special Joint Ministerial Meeting of 26 November 1999 in Manila had approved the release of a seed fund amounting to USD 100,000 to the EATF. SEOM 1/31 had requested that a project proposal be developed to specify how the seed fund would be utilized for the EATF activities.

7. The First EATF Meeting has endorsed the project proposal for submission to the ASEAN Standing Committee (ASC). The project proposal has been circulated to all SEOM Leaders for comments, since the ASC is likely to seek SEOM's endorsement before approving it.

SEOM may wish to consider the EATF project proposal.





SUMMARY RECORD OF THE FIRST MEETING OF THE e-ASEAN TASK FORCE 2-3 March 2000, Makati City, Philippines

Introduction

The First Meeting of the e-ASEAN Task Force was held on 2-3 March 2000 in Makati City Philippines. The meeting was chaired by Mr. Roberto Romulo. The list of participants appears as ANNEX 1.

Agenda Item 1: Opening Ceremony

2. In his opening address, the Chairman, Mr. Romulo, presented the background to the establishment of the e-ASEAN Task Force. He noted that the e-ASEAN initiative would help ASEAN narrow the gap between information rich and information poor countries and to leapfrog into the newest technology. His remarks appear as ANNEX 2.

3. In his keynote address, Secretary of Trade and Industry H.E. Mr. Manuel A. Roxas II emphasised the opportunities offered by information technology and electronic commerce. He underlined the need for ASEAN to work together so as to fully capture the benefits of the information economy and to avoid falling at the wrong side of the digital divide. The Secretary also explained the various initiatives being undertaken in the country to promote e-commerce and access to the Internet in the Philippines.

Agenda Item 2: Organisational Issues

4. The Task Force adopted the agenda which appears as ANNEX 3.

5. The Task Force considered and adopted the terms of reference (TOR) of the Task Force, which appears as ANNEX 4. The Task Force had a discussion on the proposed committees to spearhead each of the sectors under the Task Force Work Program. Some Members felt there was a need to avoid the proliferation of working committees, given the constraints of time and other resources.

6. In discussing the TOR, the Task Force noted the relationship of the Task Force with the e-ASEAN Working Group (EAWG) in implementing the various e-ASEAN initiatives. In this regard, the Task Force noted the TOR of the EAWG which appears as ANNEX 5.

7. The Task Force agreed on the importance of fully utilising electronic means of communications and virtual forums to minimise the number of Task Force meetings. In this connection, the Task Force noted that an e-ASEAN Task Force website had been established at www.e-aseantf.org. The website has the following features: database of relevant documents - including minutes of records, discussion forum, meeting schedules and focal points – bulletin board, linkages with regional news agencies/websites, linkages with relevant regional agencies, feedback facility. The Meeting considered the possibility of including the following features: file attachment and online chat. All members of the Task Force were given a user-ID and password.

8. The Task Force also considered the need to consult closely with the information and communications technology (ICT) private sectors and the possible mechanism by which the Task Force could seek advice from them. An initial list of sectors and companies was identified. However the Task Force agreed that the list was not exhaustive and other companies could be proposed. The Task Force agreed that such consultations could be pursued on a need basis.

9. Recalling that the Special Joint Ministerial Meeting of 26 November 1999 had approved the release of a seed fund to the Task Force, the Meeting considered and endorsed the Project Proposal for submission to the ASEAN Standing Committee for its approval. The Project Proposal appears as **ANNEX 6**.

Agenda Item 3: Discussion on Work Program

10. The Task Force noted that a Declaration, containing all the essential building blocks for e-ASEAN, had been drafted with the view to having it signed by the ASEAN Leaders during the Fourth ASEAN Informal Summit. The e-ASEAN Declaration would demonstrate the importance ASEAN Leaders attached to the realisation of the e-ASEAN initiative. The Task Force agreed to continue discussing the draft as its work developed. The initial draft appears as **ANNEX 7**.

11. The Task Force noted the following initial list of activities and issues for possible inclusion in the Work Program of the Task Force:

- a) Create a common IT market
- b) Enhance physical infrastructure
- c) Human resource development
- d) Promoting e-commerce
- e) Supporting e-government.

12. In considering the above issues and in shaping the work program of the Task Force, the following views were expressed:

- a) It was important to identify the building blocks to promote an environment conducive to e-commerce, such as ensuring security and privacy of e-commerce transactions including payment systems, ensuring confidence and trust;

- b) The Task Force needs to define the desired outcomes and hence, be able to measure success of the e-ASEAN initiative. In the process, it was also necessary to identify the impediments to e-commerce in ASEAN and how they could be countered. Among others, this would include issues such as harmonisation of the regulatory framework; need to first improve infrastructure and achieve critical mass of users/consumers; to develop trust in the use of the internet and web i.e. ensure security and privacy of electronic transactions, adoption of a common set of codes e.g. United National Commission on International Trade law (UNCITRAL) model law on e-commerce. Furthermore, tariff liberalisation issues need not focus on the Information Technology Agreement (ITA) products as all products could be transacted on the net, not necessarily ICT products only. In summary, it is important to define the building blocks of the ASEAN e-space; and
- c) Prioritise activities by indicating timeframe, benchmarking of performance indicators of the e-ASEAN should help monitor implementation of the ASEAN e-space.

Agenda Item 4: Discussion on First Draft of e-Agreement

13. The Task Force noted the proposed ASEAN e-Agreement, which appears as ANNEX 8. Based on the ASEAN Leaders' decision to establish a free trade area (FTA) in the infocomm sector, the e-Agreement had focussed on liberalisation of trade in ICT-related goods, services and investments. However, some members of the Task Force were of the view that tariff liberalisation was just one of the tools to develop the ASEAN e-space. They proposed an expansion in the coverage of the e-Agreement to incorporate other elements – such as the legal and regulatory environment, facilitation and cooperation activities – that were important preconditions for e-commerce to flourish in the region.

14. In order to determine the additional elements to be included in the e-Agreement, the Task Force agreed on the need to establish a common understanding of what constitutes the ASEAN e-space. The Task Force agreed to define e-space in terms of three dimensions/sectors: economy, society and government; and for each, to agree on a set of policy priorities and pilot projects. To this end, the Task Force divided into two committees to address the specific priorities of the public sector (focussing on policy issues) and the private sector (focussing on pilot projects).

Policy Building Blocks

15. The Task Force agreed to the policy priorities and timelines proposed by the committee made up of public sector representatives, which appears as ANNEX 9. In brief, the policy priorities were:

Economy

- Liberalisation of trade in ICT-related goods, services and investments
- Facilitation of e-commerce through:

- ⇒ Ensuring Authenticity (Digital signature, cross certification)
- ⇒ Ensuring Security (encryption, protection of ASEAN sites against hackers and denial of service attacks)
- ⇒ Adopting tax-neutral policy (offline and on-line transactions)
- ⇒ Ensuring consistency of domestic legislation to cyber laws
- ⇒ Adopting a uniform commercial code
- ⇒ Payments system
- ⇒ Dispute resolution mechanism
- ⇒ Mutual recognition arrangements (telecomm equipment)
- Intellectual Property Rights
 - ⇒ Internet domain name registration (standardisation of names and establishment of a domain name authority)
 - ⇒ Consider adoption of the World Intellectual Property Organisation (WIPO) internet treaties
- Physical Infrastructure
 - ⇒ Interconnection and interoperability
 - ⇒ Seamless roaming
 - ⇒ Joint negotiation of interconnection tariffs with big players
 - ⇒ Establishment of ASEAN Information Infrastructure

Society

- Accessibility (Development and adoption of best practices)
 - ⇒ PC ownership campaign
 - ⇒ Language conversion
 - ⇒ Synergy with existing infrastructure (use post office, kiosks, phone booths)
- HRD
 - ⇒ Development and Adoption of Best Practices
 - ⇒ Linking of centres of excellence (hospitals, schools or universities)
 - ⇒ Mutual Recognition Arrangement (MRA) on certification of professional qualifications
- Developing guidelines on content (subject to national legislation)
- Promoting personal data protection

Government

- Promoting e-Government
 - ⇒ Benchmarking/Best Practices of e-Government Applications
 - Filling up forms
 - Procuring licenses
 - Database of regulations
 - Customs clearance

16. The Task Force noted the response by the private sector representatives to some of the policy recommendations:

(a) On Interconnection:

17. Because of the privatisation of the telecommunications sector, private sector representatives felt that there were no longer any inter-country interconnection problems. However, because of the presence of many domestic providers, there are intra-country interconnection problems. The private sector stressed the importance of an appropriate policy framework to provide the proper context for private/commercial negotiations on interconnection.

(b) Development of ASEAN Information Infrastructure (AII):

18. The private sector pointed out the importance of developing enough demand to make it worthwhile for the private sector to invest in an ASEAN backbone. Several proposals were considered to increase demand, including creating more regional content, establishing an ASEAN Internet Exchange and regional caching.

19. The Task Force requested for a paper on regional caching from the representatives of the Philippines, Indonesia, Malaysia and the ASEAN Secretariat and also agreed to request the members of the EAWG for a map of their national backbones.

20. The Chairman agreed to get in touch with the Domain Names System (DNS) authority to explore the possibility of a regional top level domain name for ASEAN (“**.asn**”).

(c) E-Commerce Enablers

i) Developing Trust and Confidence

21. The Task Force agreed to encourage moves towards global rules on dispute resolution as well as complementary regional dispute resolution mechanism. But in the meantime, the task Force would have to look at conventional regional dispute resolution mechanisms as well as alternative dispute resolution mechanisms

ii) Importance of a Regional Commercial Code

22. The Task Force agreed to recommend the UNCITRAL model law on e-commerce as a basis for national legislation on e-commerce.

iii) Importance of Cross Certification of Certification Authorities

23. Noting that there are ongoing efforts in APEC to examine cross certification, the Task Force requested for a public key infrastructure (PKI) briefing from the chair of the APEC Telecommunications Working Group (APEC TEL).

iv) Importance of Secure Payment

24. The Task Force highlighted the importance of a secure payment system to encourage the e-ASEAN initiative. These included a regional payment gateway and a gross settlement system. At the same time, the Task Force agreed on leveraging existing payments infrastructure to facilitate e-commerce.

Pilot Projects

25. In conceptualising the ASEAN e-space and possible projects, the Task Force group identified the mission/objectives of the e-space for each of the sectors as follows:

Economy

- Each ASEAN company, particularly SME's and Entrepreneurs, to participate and prosper in cyberspace
- Develop cross fertilisation/exchange of learning between large and small corporations
- Leverage existing infrastructure and infostructure and best practices

Society

- Foster the development of a knowledge-based society
- Narrow the digital-divide
- Enhance competitiveness of the workforce
- Facilitate free flow of knowledge workers, initially within ASEAN
- Use technology to enhance the spirit of the ASEAN community

Government

- Facilitate flow of goods, data and movement of people within ASEAN
- Use technology to facilitate linkages between public and private sectors and promote transparency
- Enhance inter-governmental cooperation
- Leadership by example

26. Given the above conceptual priorities, the Task Force identified possible business models for implementing the projects, as well as principles for project selection:

Possible Business Models

Economy

- Consortia and/or company solicited via concept request for proposals (CRFP/RFPs)
- Must be self funding with Universal Service Fund concept
- Built Operate and Own (BOO) and Built Operate and Transfer (BOT) that are IT specific.

Society

- Sponsorship, advertisement and universal service fund (USF) financed

- Multilateral agencies

Government

- Direct government funding
- Joint government sponsorship, intra-ASEAN
- Government-private sector partnership.

27. A specific automobile market solution was cited as an example of a vertical e-market project to highlight the feasibility of this approach.

Project Selection Principles

28. The Task Force agreed on the following project selection principles.

- The projects selected should be open-standards based and technologically independent
- Adopt best practice approach whilst also take leading roles by pushing the technology envelope where appropriate.
- Avoid worsening the digital divide – encourage joint ventures between companies within ASEAN, particularly between more ready and less ready economies.

29. The Task Force agreed on the following initial list of projects and shepherds:

For Economy:

Incubators

- Ramon Jocson

Exchange

- Bernard Yu

ASEANMall.net

- Sheikh Abas

For Society:

ASEAN e-community (incorporating culture and arts)

- Dr. Ichjar Mussa/Mr. Jonathan Parapak & Dr. Ghazie Ismail

Knowledge worker exchange

- Dr. Ghazie Ismail

Online initiative for teachers/education resource centre (virtual library)

- Vicky Tinio & Dr. Srisakdi

Training for entrepreneurs focused SMES and new ASEAN members

- Mr. Maung Maung

For Government

Regional TradeNet

- Ms. Ng Kim Neo

30. The Task Force agreed that other proposals or shepherds would be welcomed from corporations, governments or individuals.

Agenda Item 5: Date and Venue of Next Meeting

31. The Task Force agreed to meet again on 24-25 April 2000 in Singapore.





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 6

asean

Agenda Item 4.2

Highlights of the First Meeting of the e-ASEAN Working Group (EAWG)

I Introduction

1 The first meeting of the e-ASEAN Working Group (EAWG) was held on 3 March 2000 in Makati City, Philippines, i.e. back to back with the e-ASEAN Task Force (EATF) Meeting. The Report of the EAWG appears as Annex A.

II Highlights for SEOM's notation and consideration

Terms of reference of the EAWG

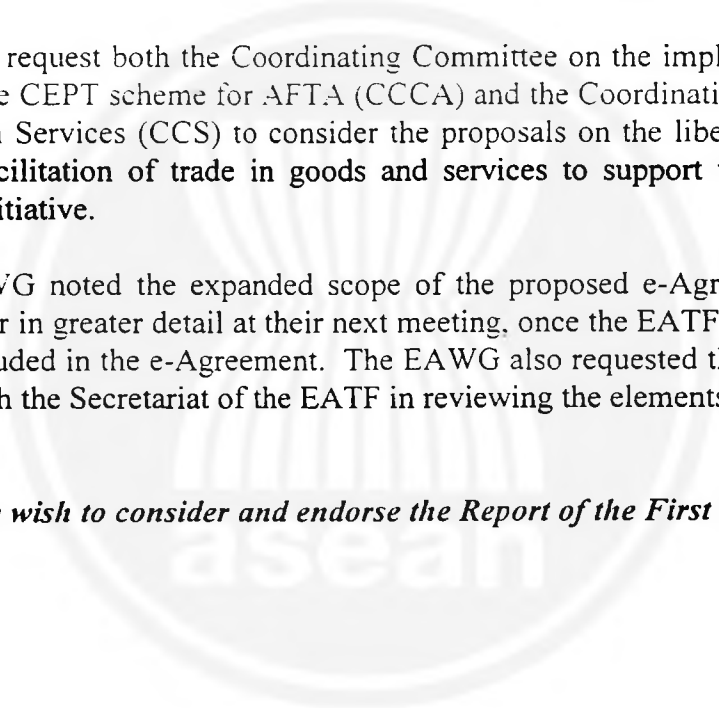
2. The EAWG deliberated at length on its terms of reference, given its peculiar relationship vis-à-vis the EATF, which is a public-private sector body. It was clarified that the EAWG essentially reports to SEOM but obtains guidance from the EATF in terms of the implementation priorities of the e-ASEAN initiative. With regard to policy matters, SEOM would clearly be the immediate body to be consulted by the EAWG. However, the EAWG would also be expected to provide progress update to the EATF on the implementation of the e-ASEAN initiative.

3. Given the wide scope of areas covered under the e-ASEAN initiative, the EAWG agreed that representation at EAWG meetings will not be restricted to three per country, and that relevant experts, including private sector experts, could be included in member countries' delegations on a need basis. To avoid proliferation of committees/working groups, the EAWG further agreed that the respective experts attending its meetings could break out into discussion groups to focus on the specific areas and report their outcomes to its plenary session.

4. The EAWG also agreed that the tenure of the chair should be in line with the EATF, which is for two years. The revised terms of reference is attached to the EAWG Report.

Follow-up from the First EATF Meeting and the EAWG Work Program

5. The EAWG noted the policy priorities and initial list of projects identified by the EATF and agreed to look into the following as an immediate follow-up:

- 
- a) noting the substantial work program recommended by the EATF, to determine whether there are already existing ASEAN bodies overseeing some of these activities, and whether some recommendations are better implemented at the national rather than the regional level;
 - b) to provide the EATF with a map of the national information backbones and a stock-taking of the status of e-commerce development in each member country, particularly on the e-commerce enablers identified by the EATF;
 - c) to prepare an inventory of information on the e-readiness of each member country (including relevant laws and regulations); and
 - d) to request both the Coordinating Committee on the implementation of the CEPT scheme for AFTA (CCCCA) and the Coordinating Committee on Services (CCS) to consider the proposals on the liberalization and **facilitation of trade in goods and services to support the e-ASEAN initiative.**

6. The EAWG noted the expanded scope of the proposed e-Agreement and agreed to discuss the matter in greater detail at their next meeting, once the EATF has deliberated on the details to be included in the e-Agreement. The EAWG also requested the ASEAN Secretariat to coordinate with the Secretariat of the EATF in reviewing the elements of the e-Agreement.

SEOM may wish to consider and endorse the Report of the First EAWG Meeting.

**THE REPORT
OF THE FIRST MEETING OF THE E-ASEAN WORKING GROUP
3 March 2000, Makati City, Philippines**

INTRODUCTION

The First Meeting of the e-ASEAN Working Group (EAWG) was held on 3 March 2000 in Makati City, Philippines.

2. The Meeting was attended by delegates from Brunei Darussalam, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand and Viet Nam. Staff members of the ASEAN Secretariat were also in attendance.
3. The Meeting was chaired by Mr. Leong Keng Thai, Director-General and Deputy Chief Executive, Information and Communications Development Authority, Singapore.
4. The list of delegates appears as ANNEX 1.

AGENDA ITEM 1: ADOPTION OF AGENDA

5. The Meeting adopted the Agenda, which appears as ANNEX 2.

AGENDA ITEM 2: BUSINESS ARRANGEMENTS

6. The Meeting was held in plenary.

AGENDA ITEM 3: DECISIONS OF THE THIRD ASEAN INFORMAL SUMMIT AND THE INFORMAL ASEAN ECONOMIC MINISTERS MEETING (AEM)

7. The Meeting noted the ASEAN Secretariat's paper that highlights the decisions of the respective ASEAN bodies relating to the e-ASEAN initiative. The ASEAN Secretariat's paper appears as ANNEX 3.

8. The Meeting recalled that the e-ASEAN initiative had originated from the 31st AEM held in Singapore on 30 September 1999, referred to as the ASEAN Millenium Initiative. To this end, the 31st AEM agreed to create a high-level public-private sector task force to develop a broad based and comprehensive action plan, covering the necessary physical, legal, logistical, social and economic infrastructure needed, with the objective of evolving an ASEAN e-space, in the world of information and communications technology, and to develop competencies within ASEAN to compete in the global market.

9. In noting the views and comments of SEOM 1/31, in particular, regarding taking on board the work of the Coordinating Committee on E-Commerce (CCEC) and the ASEAN Information Infrastructure Working Group (WGAI), the Meeting agreed that the recommendations of the EATF would provide guidance to the EAWG on its work program, and these would represent the priorities of the e-ASEAN initiative.

AGENDA ITEM 4: CONSIDERATION AND ADOPTION OF THE TERMS OF REFERENCE OF THE EAWG

10. The Meeting considered the draft Terms of Reference of the EAWG as appears in ANNEX 4.

(i) Membership

11. The Meeting clarified that the number of participants at any EAWG meeting would not be restricted to three, given the broad coverage of the e-ASEAN initiative; and that it would be up to each member country to coordinate among the relevant agencies and to decide on the appropriate number of delegates to future EAWG meetings.

(ii) Chairmanship

12. The Meeting agreed to include a provision in the TOR regarding the tenure and rotation of the Chairmanship of the EAWG, i.e. for a period of two years in-line with the Chairmanship of EATF and that it would be rotated alphabetically.

(iii) Venue

13. The Meeting agreed that if no ASEAN member country offered to host the EAWG meetings, the meetings would be then be held at the ASEAN Secretariat.

(iv) Relationship with the e-ASEAN Task Force (EATF) and SEOM

14. On the relationship of the EAWG and SEOM as well as the EATF, the Meeting clarified that the EAWG essentially reports to SEOM but obtains guidance from the EATF. The latter, comprising representatives from both the public and private sectors, has been mandated and tasked to develop the e-ASEAN initiative. Hence, the EAWG would also be expected to provide progress update on the implementation of the e-ASEAN initiative.

15. With regard to policy matters, SEOM would clearly be the immediate body to be consulted by the EAWG. The Meeting further noted that the Chairman of the EAWG and the ASEAN Secretariat are also members of the EATF and would provide the communication linkage between the EAWG and the EATF.

(v) *Participation from other Working Group and Observers*

16. On the issue of how the EAWG could organize and manage the wide scope of areas and sectors covered by the e-ASEAN initiative, the Meeting noted the crucial function of the EAWG to coordinate and work with relevant organisations within ASEAN member countries to implement the projects and recommendations. To avoid the proliferation of committees and working groups, the Meeting agreed that relevant experts could be included in member countries' delegations to the EAWG on a need basis depending on the areas and sectors addressed at each meeting.

17. The Meeting agreed that instead of establishing specialised committees, the respective experts attending the EAWG could break out into discussions groups to focus on the specific areas and their outcomes would be reported to the EAWG plenary. The EAWG would also coordinate with relevant ASEAN bodies. In addition, the Meeting agreed that private sector experts could be consulted and brought into the discussion process on a need basis.

18. The Meeting further agreed that the work program of the EAWG could supplement the directions and recommendations provided by the EATF.

19. The revised and agreed TOR of the EAWG appears as ANNEX 5.

AGENDA ITEM 5: CONSIDERATION OF THE OUTCOME OF THE HIGH LEVEL E-ASEAN TASK FORCE (EATF) MEETING

20. The Meeting was briefed by the Chairman of the EATF, the Honorable Mr. Roberto Romulo, on the outcome of the First EATF meeting, held on 2-3 March 2000, which appears as ANNEX 6.

21. The highlights of the outcomes were as follows:

- a) EATF agreed to focus on the policy and pilot project dimensions of three key areas (economy, society and government) which would form the building blocks of the e-ASEAN initiative;
- b) EATF has appointed shepherds to take the lead in furthering the concepts of the identified pilot projects such as the establishment of e-ASEAN community (Indonesia and Malaysia); regional trade-net (Singapore); and training for entrepreneurs focusing on SMEs (Myanmar). The list of pilot projects and shepherds would be further elaborated at the 2nd EATF meeting in Singapore;
- c) In terms of policies, EATF recommended that several areas be addressed, including the liberalization of trade in ICT-related goods, services and investments; facilitation of e-commerce; intellectual property rights; physical infrastructure; accessibility, human resources development;

guidelines on content; promote personal data protection; and promoting e-government;

- d) An initial step toward the establishment of the ASEAN Information Infrastructure is to draw up a map of the existing backbone of each ASEAN member country, so as to provide the EATF with an overview of the AII in the region.

22. Noting the substantial work programme recommended by the EATF, the Meeting agreed on the need to prioritize these recommendations. As a first step, the Meeting agreed to determine whether there are already existing ASEAN bodies that are overseeing some of these activities; whether some recommendations are better implemented at the national rather than the regional level. In this connection, the Meeting requested the ASEAN Secretariat to provide a listing of these existing bodies to assist the working group.

23. Noting the request of the EATF for a map of the national backbones of the ASEAN countries and to expedite the process of mapping the existing information backbone, the Meeting requested the ASEAN Secretariat to coordinate the compilation of this information for the EATF. The ASEAN Secretariat suggested that each member country secure this information from the relevant Ministry of Telecommunications or Regulators of their respective countries and as a guideline keep this information at top level as possible to avoid handling confidential and commercially sensitive information. The ASEAN Secretariat would be providing a suggested format for the information required.

24. The Meeting also requested the ASEAN Secretariat to coordinate the compilation of an inventory list (stock-taking) of the development of Electronic Commerce in the individual ASEAN economies including the existence of and plans for the various e-commerce enablers. With regard to the e-commerce enablers, the ASEAN Secretariat suggested that member countries refer to the presentation of the Chairman of the EATF. The Chairman also suggested that in compiling this inventory list, the WGAI study could be utilized.

25. The Meeting agreed that member countries submit these inputs to the ASEAN Secretariat within two weeks upon receipt of the format.

AGENDA ITEM 6: CONSIDERATION AND ADOPTION OF THE TWO YEAR WORK PROGRAMME OF THE EAWG

26. The Meeting considered the ASEAN Secretariat paper on the elements to be considered for inclusion in the work program of the EAWG. The ASEAN Secretariat paper appears as ANNEX 7.

27. The Meeting considered the two proposals referred in the ASEAN Secretariat paper, i.e. the proposal to adopt the "Guiding Principles and Policies for the Development of e-commerce in ASEAN" which had been prepared by the CCEC, and the "ASEAN e-readiness Study".

28. The Meeting agreed that some of the elements of the Guiding Principles could be considered in the process of drafting the e-ASEAN agreement based on EATF directions and

e-ASEAN Working Group (EAWG) Chair's Statement on the 1st e-ASEAN Working Group

Dear Colleagues,

1. You have just heard from the ASEAN Secretariat the positive discussions that have been made at the 1st e-ASEAN Task Force Meeting and the 1st e-ASEAN Working Group. It is my pleasure, as chair of the EAWG, to take this opportunity to further elaborate upon the e-ASEAN initiative which has been embraced by our Leaders at the last ASEAN Summit in Manila last November. A major milestone of the e-ASEAN initiative was our leader's mandate to establish a FTA for goods, services and investments for the info-comm industries under a new e-ASEAN agreement.
2. As reported by the ASEAN Secretariat, the e-ASEAN Task Force and e-ASEAN Working Group conducted substantive discussions in clarifying the e-ASEAN initiative. In particular, both groups were guided by the excellent paper on the Draft Elements of the e-ASEAN Agreement prepared by the e-ASEAN Secretariat. I would like therefore to share with you now, what I would envisage for the e-ASEAN Agreement based on the discussions so far.

MAIN AREAS OF THE E-ASEAN AGREEMENT

3. The e-ASEAN Task Force, under the excellent and capable leadership of HE Roberto Romulo of Philippines, had agreed that the proposed e-ASEAN Agreement should address the following five main areas:
 - a. E-Laws
 - b. Facilitation of e-commerce
 - c. Society
 - d. Government
 - e. Free Trade Agreement in ICT Sector.

e-Laws

4. In order to address the new convergence of technology and the global economics it represented, the EATF proposed that ASEAN countries should strive to have common e-laws based on UNCITRAL standards. Currently, only Singapore and Malaysia have enacted e-laws (such as the Electronic Transaction Act).

Facilitation

5. The EATF felt that in the creation of an ASEAN e-space, it is crucial to address the facilitation of e-commerce within ASEAN. Among the areas to be facilitated are:

- a. Cross Certification and Authentication – These would help authenticate the identity of the user across ASEAN countries and create an environment of trust in e-commerce transaction. Such environment could in turn help to proliferate e-commerce transactions in ASEAN e-space;
- b. e-Commerce Payment System - ASEAN to agree on a set of standards which would allow banks to set up an ASEAN-wide e-commerce payment system to facilitate e-transactions;
- c. MRA on telecommunication equipment. Discussions on mutual recognition of qualifying standards on telecommunication equipment are currently ongoing;
- d. Inter-connectivity and Inter-operability: It was recognised that there was a need to ensure the inter-connectivity and inter-operability of physical infrastructure across the ASEAN countries.

Society

6. Two main areas are to be addressed in the societal dimension. The areas to be included in the Agreement are Human Resource Development as well as Data Protection and Consumer Privacy.

Government

7. EATF saw the need for the government to play an active role in bringing down existing barriers in the promotion of ASEAN e-space. Several likely projects were proposed. These projects include:
 - a. TradeNet. The e-ASEAN Task Force private sector members have asked Singapore to share its experience of setting up TradeNet with the other ASEAN countries;
 - b. Procurement of goods and services by the government through e-commerce;
 - c. Customs Clearance. ASEAN could look into the setting up of “Green Lanes” for goods/services derived from e-transactions.

FTA in ICT Sector:

8. EATF seek to promote the liberalisation of ICT-related goods, services and investments. Examples of such liberalisation include:
 - a. National Treatment, Opening Up of Industries and Market Access - To recognise ASEAN investors as no worse off than domestic investors. EATF would need to put forward a proposal to CCI that investments in ICT sector would be AIA-plus with respect to National Treatment, Opening Up of Industries and Market Access. In essence, the minimum

provisions for the e-Asean Initiative in the three areas should not be worse than what were provided in the Framework Agreement on the Asean Investment Area

- b. Tariff Liberalisation and Acceleration - ASEAN countries should strive to accelerate their CEPT commitments for ICT products. Being limited to ASEAN countries, this tariff liberalization would boost intra-ASEAN trade. As mandated by the Leaders, we should explore the possibility of abolishing tariffs on all ICT products to realise a FTA for ICT goods within ASEAN.

CONCLUSION

9. The e-ASEAN Agreement is envisaged to be ASEAN's response to the rapid changes occurring in the region and elsewhere by improving our competitiveness in the global market. To help us realise this important vision of an e-ASEAN initiative in the near future, the EAWG would like to seek SEOM's endorsement on our request to ask the assistance of the various expert groups such as the CCCA and CCI, especially in the development of the e-ASEAN Agreement.
10. I hoped the above has clarified the framework from which ASEAN could work towards achieving the extremely important e-ASEAN initiative. I firmly believed that with your support and the excellent leadership of Mr Romulo, chairman of the e-ASEAN Task Force, this vision will be within our grasp and realised in the near future. Thank you.

Submitted by:

Leong Keng Thai
e-ASEAN Working Group (EAWG) Chair
4 April 2000.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 7



SUMMARY REPORT ON THE ASEAN INVESTMENT PROMOTION MISSION TO TOKYO, JAPAN, 27 FEBRUARY – 1 MARCH, 2000

1. ASEAN Delegation

The delegation was led by YB Dato' Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia. The delegation consisted of 73 participants from the 10 ASEAN countries. The breakdown of the ASEAN delegation members according to countries are as follows:

<u>Country</u>	<u>Official</u>	<u>Private Sector</u>	<u>Total</u>
Malaysia	13	9	22
Brunei	2	4	6
Cambodia	2	-	2
Indonesia	2	5	7
Laos	2	-	2
Myanmar	2	-	2
Philippines	3	1	4
Singapore	5	1	6
Thailand	6	3	9
Vietnam	3	-	3
ASEAN Bankers Association	-	7	7
ASEAN Secretariat	<u>3</u>	<u>-</u>	<u>3</u>
Total	<u>43</u>	<u>30</u>	<u>73</u>

2. ASEAN Investment Seminar

A seminar on “Investment Opportunities in ASEAN” was held in Tokyo on 28 February, 2000. Individual business meetings were also held between the ASEAN delegates and Japanese business on 28 and 29 February 2000.

3. Participants At the Seminar

A total of 702 Japanese businessmen participated in the seminar. The breakdown of the participants is as follows:

1)	Manufacturing	328
2)	Non-manufacturing	374
	<u>Total</u>	<u>702</u>

4. Issues/Questions Raised at the Seminar

- Export performance requirements by ASEAN countries for foreign initiated projects;
- Local content requirements in ASEAN countries;
- Equity policy on foreign investment in Malaysia after 31 December, 2000;
- What areas/sectors that ASEAN countries are interested in attracting Japanese FDI;

- Potential demand for plastic products in ASEAN;
- Thailand's plans for human resource development in the future;
- Number of Thai companies that were taken over by foreign companies since the economic and financial crisis; and
- Any manufacturing activities available for take over in Thailand;

5. Project Interests

The following potential projects were discussed with Japanese businessmen

- Electrical parts for optical fibre and battery
- Equipment for plastic processing
- Semi-conductor equipment
- Flat panel display equipment
- Chillers - *absorption type*
- Compressor for automotive air-conditioning systems
- Parts for mobile phone
- Parts for automotive seats
- Precision press moulds and machine parts for electronic, electrical and automotive industry
- Parts for printers, switches and automotive parts
- Assembly of handphones

- **Infrastructure support for Internet services and the multi-media industries in Malaysia**
- **Development of system softwares**
- **Copper strips for lead frame**
- **Plastic injection machines**
- **Establishment of Regional and Representative offices**
- **Design and manufacture of controllers**
- **Chemicals for water treatment**
- **Integrated project for growing tea and spices**
- **Automotive brakes and buffer**
- **Precision springs and plastic fasteners**
- **AlCO application for automotive air conditioner**
- **Electrical components for optical pickups**
- **CD-Rom and other peripherals**
- **Wire and cables**
- **Cosmetics and toiletries**
- **Aluminium and copper products**
- **Car body parts**
- **R&D on metallic materials**

6. Press Conference

A press conference was held for the leaders of the ASEAN countries. Thirty-two (32) Japanese journalists attended the press conference. Among the questions raised were:

- **Priority areas for promotion in ASEAN countries;**
- **Implementation of AFTA;**
- **Conditions for the internationalisation of the Japanese yen and the support by ASEAN countries;**
- **Prospects of domestic demand in each ASEAN country; and**
- **Harmonisation of tariffs in ASEAN**

7. Dialogue with Keidanren

Issues Discussed:

- **Current economic situation, new investment policies and investment opportunities in the ASEAN countries;**
- **Establishment of lobby network among private sector organisations of Japan and ASEAN;**
- **Electronic linkage between Keidanren and ASEAN Secretariat in Jakarta;**
- **Performance of Japanese foreign direct investment in Malaysia in 1999; and**
- **Internationalisation of the Japanese yen.**



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 8



IMMEDIATE

Tel (65) 832 6771
Fax (65) 338 2189

31 March 2000

CCI Leaders and US Mission Contact List
(Please see Distribution Lists)

Dear Sir/Madam

ASEAN JOINT INVESTMENT PROMOTION MISSION, USA, 15-19 MAY 2000

1. Thank you for your cooperation in sending us your delegation lists and other requested information.
2. We would appreciate all Member Countries' assistance to suggest participants at each of the three cities (New York, Minneapolis and San Francisco/San Jose). Singapore and the US ASEAN Business Council will jointly invite them to attend the seminars. This will help ensure that ASEAN reaches out to a **large and important audience in the US. Please provide this information not later than 15 April 2000.**
3. Singapore would like the pleasure of hosting your country's delegation to an informal working lunch, on Monday 15 May 2000 in New York, before the Mission proper. The venue is to be confirmed. Please inform us of your attendance by 15 April 2000.

Thank you for your kind attention.

Yours sincerely,



SHAUNA SIEW
SENIOR OFFICER (INTERNATIONAL POLICY)

CC : Ms. Maricel Macesar
Senior Officer, ASEAN Secretariat
FAX 62 21 739 8234

DRAFT SCHEDULE:

ASEAN ECONOMIC MINISTERS MISSION TO THE UNITED STATES

MAY 15-20, 2000

New York, NY ♦ Minneapolis, MN ♦ Silicon Valley, CA

Monday, May 15: New York

Hotel:

Waldorf Astoria
301 Park Avenue
New York, NY 10022
Tel (212) 355-3000
Fax (212) 872-7272
<http://www.hilton.com/hotels/NYCWAHH/index.html>

6:00 P.M. Evening reception and dinner with sponsoring companies
Venue: Waldorf, room TBD

Tuesday, May 16: New York

7:30-9:00 (Tentative): Breakfast roundtable: **Pharmaceutical Industry in ASEAN.**
Event would include presentations and discussion with 3-4 reps
of major pharmaceutical firms with investments in ASEAN, including Eli
Lilly & Co., Pfizer, Bristol Myers-Squibb, and others.

Venue: Waldorf, room TBD

8:00 A.M. Seminar Registration Begins
Venue: Jade Room

8:50 Breakfast gathering ends, group moves to Jade room for seminar

9:00 **Welcoming Remarks**
Local /state official, representative of co-sponsoring organization

9:10 **Opening remarks**
Ernest Z. Bower, President, US-ASEAN Business Council
(Mr. Bower introduces all speakers and will act as moderator).

9:20 **Welcome address by senior executive of sponsoring company**

9:35	Keynote Address and Q&A H.E. BG (NS) George Yeo Minister for Trade & Industry, Singapore
10:10	break
10:10 – 10:30	“ASEAN Economic Cooperation: Measures Taken to Attract Foreign Direct Investment.” H.E. Rodolfo Severino Secretary-General of ASEAN <i>(presentation will include a briefing on ASEAN investment and trade promotion measures, including the ASEAN Free Trade Area (AFTA), the ASEAN Investment Area, and other special incentives enacted recently).</i>
10:30	Presentation by representative(s) of sponsoring companies. (CEOs/senior executives of sponsoring companies will be invited). Possible topics: • Analysis of macroeconomic conditions in ASEAN • Projections and forecasts • Trends in and prospects for U.S. direct investment in the region • Investing and operating in ASEAN
11:35	Questions and answers and discussion
12:15	Seminar ends. Participants move to Basildon room for luncheon. <i>Press availability for delegation leaders.</i>
12:30	Luncheon Basildon Room
1:15	Introduction of keynote speaker by Ernest Z. Bower
1:20	Luncheon Address: CEO or Senior Executive of sponsoring company
1:35	Questions and answers (optional)
1:45	Luncheon ends
2:00– 4:00	Roundtables: Financial Services and/or architecture & engineering Waldorf, Room TBD
4:30	Delegation assembles in lobby
5:00	Depart Waldorf Astoria
6:00	Arrive LaGuardia Airport
7:20	Depart New York Northwest Airlines Flight 361
9:30	Arrive Minneapolis

Hotel:

Regal Minneapolis Hotel
1313 Nicollet Mall
Minneapolis, MN 55403-2697
Tel: (612) 332-6000
Fax: (612) 359-2160
minneapolis@regal-hotels.com

Wednesday, May 17: Minneapolis

- 7:30-9:00 **Breakfast roundtable: air services development in ASEAN.** Event will include delegation principals, and representatives of Federal Express and Northwest Airlines.
- Venue: Regal Minneapolis Hotel, room TBD.
- 8:00 A.M. Seminar Registration Begins
 Regal Minneapolis Hotel, North and Center Forum
- 8:50 **Breakfast gathering ends, group moves to North and Center Forum**
- 9:00 **Welcoming Remarks**
 Representatives of the Minnesota Trade Office and Minnesota International Center
- 9:10 **Opening remarks**
 Ernest Z. Bower, President, US-ASEAN Business Council
 (Mr. Bower introduces all speakers and will act as moderator).
- 9:20 **Welcome address by senior executive of sponsoring company**
- 9:35 **Keynote Address and Q&A**
 H.E. BG (NS) George Yeo
 Minister for Trade & Industry, Singapore
- 10:10 **break**
- 10:10 – 10:30 **"ASEAN Economic Cooperation: Measures Taken to Attract Foreign Direct Investment."**
 H.E. Rodolfo Severino
 Secretary-General of ASEAN
- (presentation will include a briefing on ASEAN investment and trade promotion measures, including the ASEAN Free Trade Area (AFTA), the ASEAN Investment Area, and other special incentives enacted recently).*
- 10:30 Presentation by representative(s) of sponsoring companies. (CEOs/senior executives of sponsoring companies and major corporations from Minneapolis area will be invited). Possible topics.
- Analysis of macroeconomic conditions in ASEAN

- Projections and forecasts
- Trends in and prospects for U.S. direct investment in the region
- Investing and operating in ASEAN

11:35	Questions and answers and discussion
12:15	Seminar ends. Participants move to luncheon room. <i>Press availability for delegation leaders.</i>
12:30	Luncheon Horizons Room
1:15	Introduction of keynote speaker by Ernest Z. Bower
1:20	Luncheon Address: The Honorable Jesse Ventura, Governor of Minnesota (invited)
1:35	Questions and answers (optional)
1:45	Luncheon ends
2:00 – 4:00	Food and Agriculture Roundtable Center Forum Room
4:00 – 5:00	Free time
5:15	Delegation assembles in lobby
5:45	Depart Hotel for reception and dinner with Cargill

Thursday May 18: Minneapolis / San Jose

7:30 A.M.	Delegation gathers in lobby
7:45	Depart hotel
8:15	Arrive at airport for group check-in
9:10	Depart Minneapolis Northwest Airlines Flight #351
11:09	Arrive San Francisco Luggage collection
11:45	Transfer: coach to Oracle / San Jose (Note: group will proceed directly to Oracle site visit; a separate bus will carry delegation luggage directly to the hotel).
12:30	Arrive Oracle Corporation Headquarters Oracle Corporation 500 Oracle Parkway Redwood Shores, CA 94065

Tel (650) 506-7000
Fax (650) 506-7200

Oracle site visit will include a luncheon, briefing, and tour of the facility

3:00: Depart Oracle for Hotel

Hotel:

Westin Santa Clara
5101 Great America Parkway
Santa Clara, CA 95054
Tel: (408) 986-0700
Fax: (408) 980-3990
clara@westin.com

afternoon open

5:30 P.M. Delegation gathers in lobby
6:00 P.M. Depart for reception and dinner with Cisco Systems
venue TBD

Friday, May 19: San Jose

7:30-9:00 Breakfast with sponsor
room TBD

8:00 A.M. Seminar Registration Begins
room TBD

8:50 Breakfast gathering ends, group moves to seminar room

9:00 **Welcoming Remarks**
Representative of the American Electronics Association

9:10 **Opening remarks**
Ernest Z. Bower, President, US-ASEAN Business Council
(Mr. Bower introduces all speakers and will act as moderator).

(NOTE: during the morning session, it is recommended that ASEAN officials make themselves available for one-on-one meetings with seminar participants that request them in advance. Space will be made available for this purpose).

9:20 **Welcome address by senior executive of sponsoring company**

9:35	Keynote Address and Q&A H.E. BG (NS) George Yeo Minister for Trade & Industry, Singapore
10:10	break
10:10 – 10:30	“ASEAN Economic Cooperation: Measures Taken to Attract Foreign Direct Investment.” H.E. Rodolfo Severino Secretary-General of ASEAN <i>(presentation will include a briefing on ASEAN investment and trade promotion measures, including the ASEAN Free Trade Area (AFTA), the ASEAN Investment Area, and other special incentives enacted recently).</i>
10:30	Cybernations: Presentation on the state of e-commerce readiness worldwide by Mr. William Archey, President and CEO, American Electronics Association
10:50	Presentation by representative(s) of sponsoring companies. (CEOs/senior executives of sponsoring companies will be invited). Possible topics: • Analysis of macroeconomic conditions in ASEAN • Projections and forecasts • Trends in and prospects for U.S. direct investment in the region • Investing and operating in ASEAN
11:35	Questions and answers and discussion
12:15	Seminar ends. Participants move to luncheon room. <i>Press availability for delegation leaders.</i>
12:30	Luncheon Room TBD
1:15	Introduction of keynote speaker by Ernest Z. Bower
1:20	Luncheon Address: CEO or Senior Executive of sponsoring company
1:35	Questions and answers (optional)
1:45	Luncheon ends
2:00 P.M. – 4:00	Information Technology Industry Roundtable Presenters will include representatives of Oracle, Cisco, American Electronics Association, and other information technology companies. Westin Hotel, room TBD
4:30 – 5:30	Informal farewell reception. Westin Hotel, room TBD. Reception will include the delegation, US-ASEAN Business Council staff, sponsors, and local organizers
Dinner:	Open

Saturday, May 20: San Jose

End of program. ASEAN delegations depart for Europe.





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 9



Progress of the ASEAN Joint Investment Promotion in
London, Paris, and Munich
22-26 May 2000

1. Confirmed Dates: London (22/5/00), Paris (24/5/00), Munich (26/5/00).
2. H.E. Abhisit Vejjajiva, Minister Attached to the Prime Minister's Office will lead the mission to Europe.
3. The tentative itinerary and seminar programs appear as Attachment 1.
4. Current status of the preparation of the seminar in each city is as follows:

London

Venue: Conference Center of the Confederation of British Industry (CBI)

Co-organizer: Confederation of British Industry (CBI)

Total budget: approximately 20,000 Pound

Expected number of participants: 150

Speakers (at least 2): Standard Chartered Bank, Unilever (to be confirmed) and Tesco (to be confirmed)

Sponsor: Standard Chartered Bank (Singapore Branch)

Marketing: CBI will send out invitations to around 10,000 companies during the week of April 3, 2000.

Paris

Venue: Hotel Hilton Paris

Co-organizer: MEDEF International

Total budget: FF 120,000

Expected number of participants: 150-200

Speakers (at least 2): Suez Lyonnaise des Eaux (Confirmation from additional speakers is expected to be finalized soon.)

Sponsors: Follow-up on potential corporate sponsors is being pursued, and confirmation is expected soon. Suez Lyonnaise des Eaux and Alcatel have tentatively indicated positive response.

Marketing: Mouvement des Entreprises de France (MEDEF) will help with targeting potential participants.

*There will be simultaneous translation

Munich

Venue: Hypo Tower

Co-organizer: Bayerische Hypo Vereinsbank

Expected number of participants: 200

Speakers (at least 2): A number of German companies with extensive business exposure in ASEAN have been approached.

Sponsors: Bayerische Hypo Vereinsbank

Marketing: Invitations were sent to a total of 1,800 companies in Germany, Austria and Switzerland.

Thailand Board of Investment has not requested support from the European Commission-Asia Investment Program due to short lead time. The proposal evaluation committee of Asia-

Investment meets on the last Wednesday of every month. This leaves the option of securing support from the EC unviable.

5. Thailand has sent out registration form and general information since 14 March 2000, and set deadlines for registration and hotel reservation for each cities as follows:
Deadline for registration form: 20 March 2000
Deadline for hotel reservation in London: 21 April 2000
Paris: 3 April 2000
Munich: 6 April 2000
6. As of 30/3/00, five Member Countries (Cambodia, Indonesia, the Philippines, Singapore, Vietnam) and the ASEAN Secretariat have provided Thailand Board of Investment with the list of their delegates and copies of their hotel reservation confirmation.
7. All member countries and ASEAN Secretariat will cover costs of plan tickets, hotel accommodation, and ground transportation in each city.
7. Currently, Thailand has already publicized the mission in Europe through several local and international newspapers including Foreign Chambers of Commerce, Asia Business Club, and etc. The text for ASEAN Member Countries and ASEAN Secretariat to post on their websites has been provided since early March. Thailand Board of Investment is also planning on additional advertisements in an international newspaper.

Follow-up issues:

1. Request Member Countries who have not yet submitted their names of delegates and hotel confirmations to do so by 10 April 2000 including a photo and one-page biographical data of the leaders.
2. Request all Member Countries to reserve rooms by the above datelines to guarantee their accommodations.
3. Request CLMV countries to submit their five-minute-speeches by 28 April 2000.
4. Request ASEAN Secretariat to submit Secretary-General of ASEAN's speech by 28 April 2000.
5. Request all ASEAN Member Countries to provide a mailing list of companies that they wish to see their participant in London, Paris, or Munich by 7 April 2000.



ASSOCIATION OF SOUTHEAST ASIAN NATIONS

Tentative Program of Activities ASEAN Joint Investment Promotion in Europe 21-26 May 2000

Sunday 21 May 2000, London

06.20 hrs. Arrive in London and check in
Hotel: Royal Lancaster Hotel
Lancaster Terrace,
London W2 2TV
Tel: 020 7262 6737
Fax: 020 7724 3191

Monday 22 May 2000, London

09.30 - 16.00 hrs. ASEAN Joint Investment Promotion Seminar at the Confederation of British
Industry (CBI)
Evening Reception hosted by the Thai Ambassador

Tuesday 23 May 2000, London-Paris

11.05 - 13.25 hrs. Depart London via AF1371
Arrive in Paris and check in
Hotel: Sofitel Paris Bercy
1 Avenue des Terroirs de France, 75012 PARIS
Tel: 33 1 44 67 34 00
Fax: 33 1 44 67 34 44
Evening Reception hosted by the City of Paris and Suez Lyonnaise des Eaux (to be
confirmed)

Wednesday 24 May 2000, Paris

09.00 - 16.00 hrs. ASEAN Joint Investment Promotion Seminar at
Hotel Hilton Paris
18, avenue de Suffren, 75740 Paris Cedex 15
Tel: 33 1 44 38 56 00, Fax: 33 1 44 38 56 10

Thursday 25 May 2000, Paris-Munich

09.00 hrs. Depart Paris via LH 4171
10.35 hrs. Arrive in Munich and check in



ASSOCIATION OF SOUTHEAST ASIAN NATIONS

TENTATIVE PROGRAM ASEAN JOINT INVESTMENT PROMOTION SEMINARS IN THE UNITED KINGDOM, FRANCE AND GERMANY 22-26 MAY 2000

Monday 22 May 2000, London

Venue: Confederation of British Industry (CBI)

Centre Point, 103 New Oxford Street

London WC1A 1DU

Tel: 0171 395 8247 | Fax: 0171 240 1578

09.30 - 09.35 hrs.	Welcome Remarks by CBI Representative
09.35 - 09.45 hrs.	Opening Address by Minister _____
09.45 - 10.00 hrs.	Welcome Address by Standard Chartered Bank
10.00 - 10.30 hrs.	Keynote Address by Mr. Abhisit Vejjajiva, Minister Attached to the Prime Minister's Office, Thailand
10.30 - 10.45 hrs.	Presentation on AIA, AFTA, and AICO Schemes by Mr. Rodolfo Severino Jr., Secretary-General of the ASEAN Secretariat
10.45 - 11.00 hrs.	Tea Break
11.00 - 11.45 hrs.	Experiences of Doing Business in ASEAN by European Businessmen with Business Presence in ASEAN (2 speakers)
11.45 - 12.00 hrs.	Presentation on Investment Policies of New ASEAN Member Countries
12.00 - 12.50 hrs.	Open Dialogue with Leaders of ASEAN Delegations
12.50 - 14.00 hrs.	Networking Lunch
14.00 - 16.00 hrs.	Individual Business Meetings between Representatives of European Companies and Members of ASEAN Delegations

Wednesday 24 May 2000 . Paris

Venue: Hotel Hilton Paris
18, avenue de Suffren,
75740 Paris Cedex 15
Tel: 33 1 44 38 56 00
Fax: 33 1 44 38 56 10

09.00 - 09.15 hrs.	Welcome Remarks by Mr. Francois HUWART, Minister of Commerce
09.15 - 09.45 hrs.	Keynote Address by Mr. Abhisit Vejjajiva, Minister Attached to the Prime Minister's Office, Thailand
09.45 - 10.15 hrs.	New Approach of Regional Development* by Mr. Alain de SACY, International Consultant, Professor at HEC
10.15 - 10.45 hrs.	Coffee break
10.45 - 11.00 hrs.	Presentation on AIA, AFTA, and AICO Schemes by Mr. Rodolfo Severino Jr., Secretary-General of the ASEAN Secretariat
11.00 - 11.15 hrs.	Presentation on Investment Policies of New ASEAN Member Countries
11.15 - 11.45 hrs.	Experiences of Doing Business in ASEAN by European Businessmen with Business Presence in ASEAN (Suez Lyonnaise des Eaux and another French company)
11.45 - 12.30 hrs.	Open Dialogue with Leaders of ASEAN Delegations
12.30 - 14.30 hrs.	Luncheon Talk
14.30 - 16.00 hrs.	Individual Business Meetings between Representatives of European Companies and Members of ASEAN Delegation



Friday 26 May 2000, Munich

Venue: Hypo Tower

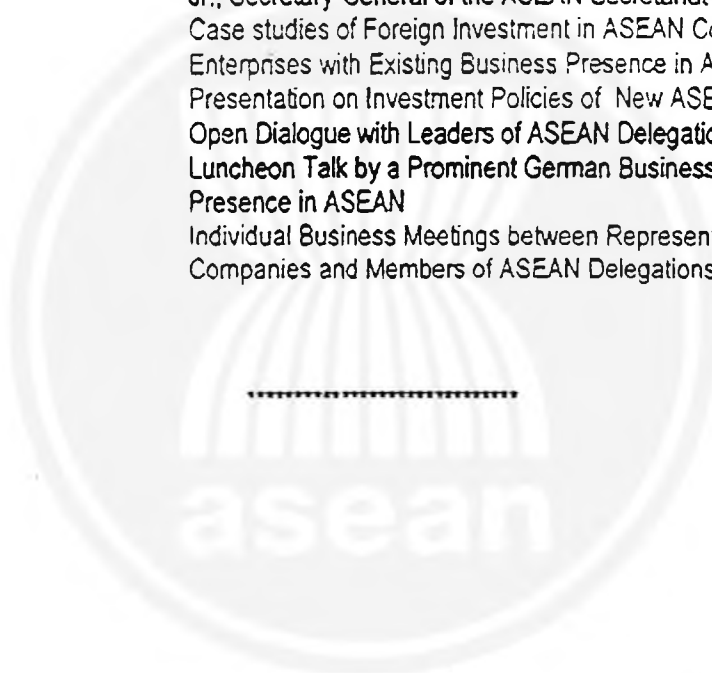
Bayerische Hypo-und Vereinsbank AG

Am Tucherpark 16

80538 München

Tel: (+49)(89) 3 78 -0

09.00 - 09.10 hrs.	Welcome Remarks by Dr. Albrecht Schmidt, Speaker of the Executive Board, Bayerische HypoVereinsbank
09.10 - 09.20 hrs.	Opening Address by Dr. Otto Wiesheu, Minister of Economic Affairs, Transport and Technology, State of Bavaria
09.20 - 09.50 hrs.	Keynote Address by Mr. Abhisit Vejjajiva, Minister Attached to the Prime Minister's Office, Thailand
09.50 - 10.05 hrs.	Presentation on AIA, AFTA, and AICO Schemes by Mr. Rodolfo Severino Jr., Secretary-General of the ASEAN Secretariat
10.05 - 11.05 hrs.	Case studies of Foreign Investment in ASEAN Countries by 3-4 European Enterprises with Existing Business Presence in ASEAN
11.05 - 11.25 hrs.	Presentation on Investment Policies of New ASEAN Member Countries
11.25 - 12.25 hrs.	Open Dialogue with Leaders of ASEAN Delegations
12.25 - 14.00 hrs.	Luncheon Talk by a Prominent German Businessman with Business Presence in ASEAN
14.00 - 16.00 hrs.	Individual Business Meetings between Representatives of European Companies and Members of ASEAN Delegations





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 10



Agenda Item 6.1

Highlights of the Twenty-Sixth Meeting of the ASEAN Working Group on Industrial Cooperation 22-24 March 2000 in Chiang Mai, Thailand.

Issues for SEOM's notation

Decision of the 3rd Informal Summit and SEOM 1/31

1. The Meeting noted the decisions of ASEAN 3rd Informal Summit and SEOM 1/31. The following ideas were discussed during the meeting:

- measures to facilitate and increase participation of companies in the AICO scheme
- reconsider granting 0% tariff rate for AICO products in the light of the ASEAN decision to reduce all CEPT tariffs to 0% by 2010/2015
- consider adopting a pre-approval system for the AICO application from the SMEs
- **adopt a more flexible approach to consider and approve AICO applications**
- consider the establishment of product(s) community

Preferential Treatment of the SMEs

2. The Meeting noted that the response of trading companies to the flexibility offered has not been encouraging. This could be attributed to the uncertain benefit that they could derive from the AICO Scheme. The Meeting also noted that trading companies were concerned with the disclosure of the identity of suppliers to buyers which may disadvantage their operation and that the participation of trading company in third country is not allowed.

3. With regard to the concern on the disclosure of the identity of suppliers to buyers, the WGIC has devised an appropriate measure to address the concern.

4. With regard to the participation of trading company in a third-country, the Meeting recalled its earlier decision that the trading company must reside in the same country as the SMEs. However, considering that the objective of the preferential treatment is to assist the SMEs, the Meeting agreed that the decision to allow such participation should be at the discretion of the participating country. In this respect, Brunei Darussalam, Indonesia, Lao PDR, Philippines, Singapore, Thailand and Vietnam agreed to allow the participation of trading company in third-country. The Meeting noted that Malaysia could not agree with the participation of trading company in third country.

Reconsideration on application of 40% ASEAN content on ASEAN CKD pack

5 The Meeting discussed at length the request of the private sector to change the method of ASEAN content calculation for ASEAN CKD Pack under AICO. The Meeting noted that while the request merits further consideration, the change may encounter implementation problem when issuing CEPT Form D.

Impact of currency fluctuation on the 40% ASEAN content

6 The Meeting noted the problem encountered by the companies in calculating the ASEAN content due to currency fluctuation. The Meeting agreed that for future applications, the exchange rate at the time of submission of application should be used for the purpose of Form D calculation. This would ensure a stable exchange rate to the companies concerned when calculating the ASEAN content. The Meeting agreed to convey this proposal to the CCCA for their consideration. The Meeting noted that Malaysia requested for more time to consider the proposal.

Meeting on ASEAN-EU Textile Quota Swap Arrangement

7 The Meeting noted that as a follow up to SEOM decision, a meeting to discuss the ASEAN-EU Textile Quota Swap Arrangement would be convened at the ASEAN Secretariat, Jakarta, on 9-10 May 2000. (N.B. Singapore had just requested that the date be changed to 8-9 May 2000.)

SEOM is requested to note the above issues.

Issues for SEOM's decision

AMEICC

8 The Meeting noted the revised AMEICC Work Programme and requested member countries to confirm the amendments proposed by Japan on the revised AMEICC Work Programme and inform their respective AMEICC representatives and the ASEAN Secretariat of their decision.

9 With regard to the implementation of AICO, the Meeting agreed to request for the financial assistance from Japan to promote the scheme to the Japanese trading companies in the form of seminar or workshop in Tokyo. The Meeting also agreed to request for the financial assistance from Japan to conduct AICO workshops for the benefit of CLMV countries. For this purpose, the Meeting requested the ASEAN Secretariat to prepare the project proposals for the consideration of Japan.

*SEOM to consider and approve the proposal
to seek financial assistance from Japan for the AICO workshops.*

Terms of Reference of ASEAN Competitiveness Study

10. The Meeting agreed to seek the views of the ASEAN representatives of the various AMEICC Working Groups on whether a competitiveness study is required for their sector. For sectors that do not have corresponding AMEICC working groups, the Meeting agreed to refer the matter to relevant ASEAN working groups.

SEOM is requested to approve the line of action recommended by WGIC.

Proposal on Establishment of Product Community

11. The Meeting agreed that in the light of the decisions of the 3rd ASEAN Informal Summit and SEOM 1/31, ASEAN should explore new initiatives to enhance the competitiveness of ASEAN industry, retain the attractiveness of ASEAN as a production base, and attract more foreign direct investment into the region. In this respect, all member countries, except Malaysia, agreed that the product community concept merits further consideration. Since the Meeting could not reach consensus on the matter, the Meeting agreed to elevate the matter to SEOM for a decision. Pending the decision of SEOM on the proposal to conduct a feasibility study, the Meeting requested ASEAN Secretariat to revise the concept paper to incorporate the comments raised by member countries during the course of the meeting.

12. Subject to SEOM's decision, the Meeting agreed to conduct a feasibility study on the proposal to be funded under ASEAN UNDP ASP-6.

***SEOM is requested to note the reservation of
Malaysia on both the concept and the feasibility study.***

***SEOM to consider and decide whether
a feasibility study on the product community should be conducted.***

Adoption of Report

13. The Meeting adopted the Report of the 26th WGIC Meeting subject to confirmation from Cambodia.

***SEOM to note that Cambodia could not attend the 26th WGIC Meeting.
Therefore endorsement of the Report is subject to confirmation by Cambodia.***

REPORT OF THE TWENTY-SIXTH MEETING OF THE ASEAN WORKING GROUP ON INDUSTRIAL COOPERATION

22-24 March 2000, Chiang Mai, Thailand

INTRODUCTION

1. The 26th Meeting of the ASEAN Working Group on Industrial Cooperation was held on 22-24 March 2000 in Chiang Mai, Thailand.
2. The Meeting was attended by the representatives from Brunei Darussalam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Representative of the ASEAN-CCI and staff members of the ASEAN Secretariat were also present. The list of delegates appears as **ANNEX 1**.
3. The Meeting was chaired by Mr. Budi Darmadi, Secretary, Directorate General of Metal, Machinery, Electronics and Multifarious Industry, Ministry of Industry and Trade, Indonesia.

AGENDA ITEM 1: ADOPTION OF AGENDA

4. The Meeting adopted the Agenda which appears as **ANNEX 2**.

AGENDA ITEM 2: BUSINESS ARRANGEMENT

5. The Meeting was held in both open and closed sessions.

Consultation with the private sector

6. The Meeting held a consultation with the private sector. The following subjects were raised in the session:

- **Reconsideration of 40% ASEAN content in ASEAN CKD pack**

The issue was discussed in Para 15 and 16

- **Problems relating to 40% ASEAN content calculation due to currency depreciation or currency fluctuation**

The issue was discussed under Para 17

- **Trade balancing requirement**
- **Request for shorter processing time of AICO application**

7 The list of private sector representatives appears as ANNEX 3.

AGENDA ITEM 3: Decision of the 3rd Informal Summit and SEOM I/31

8 The Meeting was briefed by the ASEAN Secretariat on the outcomes of the ASEAN 3rd Informal Summit and SEOM I/31 which appears as ANNEX 4. With regard to the decision of ASEAN Leaders to elevate AICO to a higher plane, the Meeting agreed that WGIC should explore new measures or initiatives to increase industrial complementarity in the region. The following ideas were discussed.

- measures to facilitate and increase participation of companies in the AICO scheme
- reconsider granting 0% tariff rate for AICO products in the light of the ASEAN decision to reduce all CEPT tariffs to 0% by 2010/2015.
- consider adopting a pre-approval system for the AICO application from the SMEs
- adopt a more flexible approach to consider and approve AICO applications
- consider the establishment of product(s) community

AGENDA ITEM 4: REVIEW OF THE AICO SCHEME

4.1 Preferential Treatment of the SMEs

9 The Meeting noted the ASEAN Secretariat's paper on the outcome of the WGIC-Trading Companies Consultation held on 21 January 2000, Singapore, which appears as ANNEX 5. The Meeting noted that the response of the trading companies to the flexibility offered has not been positive. This could be attributed to the uncertain benefit that they could derive from the AICO Scheme. The Meeting also noted that trading companies were concerned with the disclosure of the identity of suppliers to buyers which may disadvantage their operation and that the participation of trading company in third country is not allowed.

10. With regard to the concern on the disclosure of the identity of suppliers to buyers, the Meeting agreed to issue separate COEs for the arrangement between the supplier and trading company, and for the arrangement between the trading company and the buyer. To protect the identity of the suppliers from buyers, the Meeting agreed that the application document involving SMEs and TCs should only contain identity of trading companies and the buyer, while a separate letter will be submitted by the trading company to the national authority identifying the supplier(s).

11. With regard to the participation of trading company in a third-country, the Meeting recalled its earlier decision that the trading company must reside in the same country as the SMEs. However, considering that the objective of the preferential treatment is to assist the SMEs, the Meeting agreed that the decision to allow such participation should be at the discretion of the participating country. In this respect, Brunei Darussalam, Indonesia, Lao PDR, Philippines, Singapore, Thailand and Vietnam agreed to allow the participation of trading company in third-country. The Meeting noted that Malaysia could not agree with the participation of trading company in third country.

12. The Meeting noted the proposal of Thailand that member countries could consider adopting a pre-approval system for AICO applications from SMEs provided that the arrangement satisfy the following requirements:

- the transaction must involve minimum two-way exchange of products between the two participating countries;
- maximum value of exchange should be determined;
- in case of imbalance in the trade value of the AICO products to be exchanged, the imbalance should not exceed x %;
- meet the SME definition of the participating countries.

13. Thailand agreed to prepare a concept paper on the above proposal for consideration at the next Meeting.

4.2 40% ASEAN content

4.2.1 Reconsideration on application of 40% ASEAN content on ASEAN CKD pack

14. The Meeting considered the Singapore's proposal on the reconsideration of 40% ASEAN content calculation on the ASEAN CKD pack which appears as ANNEX 6.

15. The Meeting noted that there were two views raised by the private sector in calculating the cumulative ASEAN content. One view is that each of individual components must have a minimum ASEAN content. The other is to allow for some components in the ASEAN CKD pack that do not contain ASEAN content at all. The Meeting noted that while the proposal merits further consideration, the proposal may encounter implementation problem when issuing the CEPT Form D.

16. Since the Meeting could not reach consensus on whether to change the calculation of the 40% ASEAN content for ASEAN CKD pack from individual components to as a whole, the Meeting agreed to reconsider this matter at its next meeting. In this regard, the Meeting noted Malaysia's objection to the change in the present method of calculation. The Meeting also noted that Vietnam can consider the change on a case by case basis.

4.2.2 Impact of currency fluctuation on the 40% ASEAN content

17. The Meeting noted the problem encountered by the companies in calculating the ASEAN content due to currency fluctuation. The Meeting agreed that for future applications, the exchange rate at the time of submission of application should be used for the purpose of Form D calculation. This would ensure a stable exchange rate to the companies concerned when calculating the ASEAN content. The Meeting agreed to convey this proposal to the CCCA for their consideration. The Meeting noted that Malaysia requested for more time to consider the proposal.

4.3 Review of the definition of AICO intra-firm transaction

18. In light of on-going international mergers and acquisition by major companies around the world, the Meeting agreed that for the purpose of intra-firm transactions, arrangement between these companies should be eligible although they may carry different brand names.

AGENDA ITEM 5: AICO APPLICATION MONITOR

19. The Meeting noted the revised AICO Application Monitor which appears as **ANNEX 7**. The Meeting noted that there were some approvals that could not be issued with the COEs due to delay in the verifications and mismatch of approvals. In order to enable the ASEAN Secretariat to issue these overdue COEs, the Meeting requested the national authorities to take the following actions by 30 March 2000:

- Indonesia to verify draft AICO COE No.: Nissan/1999/2
- Philippines to verify draft AICO COE No.: MEL/1999/2 and AICO COE No.: Mitsubishi/2000/1
- Thailand to verify draft AICO COE No.: Isuzu/2000/2

AGENDA ITEM 6: AMEICC MATTERS

20. The Meeting noted the revised AMEICC Work Programme which appears as **ANNEX 8**. The Meeting requested member countries to confirm the amendments proposed by Japan on the revised AMEICC Work Programme and inform their respective AMEICC representatives and the ASEAN Secretariat of their decision.

21. With regard to the implementation of AICO, the Meeting agreed to request for the financial assistance from Japan to promote the scheme to the Japanese trading companies in the form of seminar or workshop in Tokyo. The Meeting also agreed to request for the financial assistance from Japan to conduct AICO workshops for the benefit of CLMV countries. For this purpose, the Meeting requested the ASEAN Secretariat to prepare the project proposals for the consideration of Japan.

AGENDA ITEM 7: Hanoi Plan of Action

22. The ASEAN Secretariat briefed the Meeting on the progress of the implementation of Hanoi Plan of Action (HPA). The Meeting requested the ASEAN Secretariat to prepare a detailed matrix containing the progress of implementation of the HPA.

7.1 Expedite the Implementation of AICO

23. The Meeting noted that the activity to expedite the implementation of AICO is an ongoing activity of the WGIC. In order to highlight the impact of the measures adopted by WGIC, the Meeting requested the ASEAN Secretariat to provide additional information on the number of AICO applications that made use of the improvement made to the scheme.

7.2 Establish a Directory of major ASEAN Manufacturing Company

24. With regard to the directory of major ASEAN manufacturing company, the Meeting requested member countries to monitor the number of visitors to their national websites after they were hyperlinked to the ASEAN Web and inform the ASEAN Secretariat on regular basis. This exercise would be useful for the working group to take the follow-up actions.

7.3 Explore the merits of competition policy

25. The Meeting noted the ASEAN Secretariat information paper, on the Workshop on Competition Policy held in Bangkok on 6-10 March 2000, which appears as **ANNEX 9**.

7.4 Explore/develop other areas of cooperation

26. This matter was discussed in Para 8, 12, 28 – 30.

7.5 Increase value added contribution of the ASEAN manufacturing sector

7.6 Establish R&D/ Skill Development Center

27. The Meeting will review these activities at the next meeting.

AGENDA ITEM 8: Other Matters

8.1 ASEAN Secretariat's Proposal on Establishment of Product Community

28. The Meeting noted the ASEAN Secretariat's paper on the Establishment of Product Community and the responses of member countries to the ASEAN Secretariat's paper on the Establishment of Electronic Community, which appears as ANNEX 10 and ANNEX 11, respectively.

29. The Meeting agreed that in the light of the decisions of the 3rd ASEAN Informal Summit and SEOM 1/31, ASEAN should explore new initiatives to enhance the competitiveness of ASEAN industry, retain the attractiveness of ASEAN as a production base, and attract more foreign direct investment into the region. In this respect, all member countries, except Malaysia, agreed that the product community concept merits further consideration. Since the Meeting could not reach consensus on the matter, the Meeting agreed to elevate the matter to SEOM for a decision. Pending the decision of SEOM on the proposal to conduct a feasibility study, the Meeting requested ASEAN Secretariat to revise the concept paper to incorporate the comments raised by member countries during the course of the meeting. These may include among others the following:

- Identifying product community modality where ASEAN would serve as production base
- Identifying product community modality where ASEAN could offer an integrated market
- Identifying other form of industrial cooperation undertaken by other regional groupings

30. Subject to SEOM decision in para 29, the Meeting agreed to conduct a feasibility study on the proposal to be funded under ASEAN UNDP ASP-6.

8.2 Terms of Reference of ASEAN Competitiveness Study

31. The Meeting considered the revised Terms of Reference of ASEAN Competitiveness Study which appears as ANNEX 12. The Meeting agreed to seek the views of the ASEAN representatives of the various AMEICC Working Groups on whether a competitiveness study is required for their sector. For sectors that do not have corresponding AMEICC working groups, the Meeting agreed to refer the matter to relevant ASEAN working groups.

8.3 ASEAN-EU Textile Quota Swap Arrangement

32. The ASEAN Secretariat informed the Meeting that as a follow up to SEOM decision, a meeting to discuss the ASEAN-EU Textile Quota Swap Arrangement would be convened at the ASEAN Secretariat, Jakarta, on 9-10 May 2000.

8.4 AADCP Programme Proposal on Enhancing ASEAN Competitiveness

33. The Meeting noted that the proposal has been rejected by Australia

8.5 ISK's AIJV Post Waiver Application

34. The Meeting noted the ASEAN Secretariat's letter on the chronology of events relating to the AIJV status of Tioxide Malaysia Sdn. Bhd., which appears as ANNEX 13. The Meeting considered the matter resolved as it was a matter of interpretation by the two parties concerned.

AGENDA ITEM 9: ROTATION OF CHAIRMANSHIP

35. The Meeting welcomed the agreement of Malaysia to assume the chairmanship at the 27th WGIC Meeting.

AGENDA ITEM 10: ADOPTION OF REPORT

36. The Meeting adopted the Report of the 26th WGIC Meeting subject to confirmation from Cambodia.

AGENDA ITEM 11: DATE AND VENUE OF THE NEXT MEETING

37. The Meeting agreed to convene the next WGIC Meeting in Malaysia on 12-14 July 2000.

ACKNOWLEDGMENT

The delegations of Brunei Darussalam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Vietnam and ASEAN CCI expressed its sincere appreciation to Thailand for the excellent arrangements made for the meeting and hospitality accorded to them. The Meeting also thanked the ASEAN Secretariat for its assistance.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 11



Agenda Item 7.

Cooperation in Finance

1. The Fourth AFMM and related meetings (AFDM-WG, AFDM and AFDM + 3) were held in Brunei during 21 – 26 March 2000 to conduct a peer review and discussed progress and development of ASEAN and East Asian Finance Cooperation. The outcome of the Meetings appears in the Joint Ministerial Statement attached and the highlights are as follow:

2. The peer review focuses on issues and measures that can sustain the economic recovery in the region. Based on the Third ASEAN Surveillance Report, the Ministers exchanged views and shared experiences on measures deemed crucial to the sustainability of the recovery, including measures to:

- Facilitate bank and corporate restructuring,
- Stimulate domestic consumer demand and private investment.
- Maintain prudent fiscal management, and
- Enhancing regional resilience to external shocks.

3. In facilitating the implementation of the Finance Work Programme, three working committees have been established. First, a Working Committee on Capital Market Development was formed to facilitate the implementation of the Work Programme on Capital Market Development, particularly the ASEAN bond markets and asset-backed securitisation. Secondly, a Working Committee on Financial Sector Liberalisation was established to consider the parameters proposed by the AEM and carry out the negotiation on financial sector liberalisation. Third is the establishment of the Working Committee on Tax and Public Finance Matters to work on regional cooperation in tax and public finance.

4. In order to sustain the recovery process, especially, in stimulating domestic demand and diversify exports, there is need to increase ASEAN competitiveness. To this end, the Ministers tasked the ASEAN Secretariat to study, on an urgent basis, the implication of ASEAN initiatives, in particular, AFTA, on the competitiveness of ASEAN in various sectors and in each country.

5. On ASEAN + 3 cooperation, the Deputies have endorsed a set of activities that will strengthen East Asian finance cooperation. In particular, they have agreed to form a working group to work out a regional monitoring system of capital flows. They have also agreed to set up a research and training network comprising of designated research and training institutes in the East Asian region to promote HRD. On regional financing arrangement, they recognised a need to establish a regional facility that will supplement existing international facilities and agreed to conduct a study to identify modality and mechanism that will best suit the region. Regional surveillance will also be strengthened initially through a networking of ASEAN + 3 contact persons who are directly involved in surveillance activities.

6. Due to some delays in getting internal clearances, however, the Protocol 5 on ASEAN Insurance Scheme and Protocols 2 and 7 on Customs in support of the ASEAN Framework Agreement on Facilitation of Goods in Transit will now be signed at the fringe of the AFMM + Japan and AFMM + 3 in Chiang Mai on 6 May 2000. Member countries have been urged to get necessary approvals for the signing of the three Protocols in May.

*The Meeting may wish to
take note of the above development*



The Joint Ministerial Statement of the Fourth ASEAN Finance Ministers Meeting

25-26 March 2000, Bandar Seri Begawan, Brunei Darussalam

Introduction

1. We, the ASEAN Finance Ministers, convened our Fourth annual meeting in Bandar Seri Begawan to discuss measures to further support our economic recovery, progress made in various areas of financial cooperation including the development of capital markets in ASEAN, and approaches to strengthen East Asian financial cooperation with China, Japan and the Republic of Korea.

2. H.E. Pehin Orang Kaya Laila Wijaya Dato Haji Abdul Aziz Umar, Minister representing the Ministry of Finance, presided over our meeting.

Audience with His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam

3. His Majesty Sultan Haji Hassanal Bolkiah, Sultan and Yang Di-Pertuan of Brunei Darussalam, graciously granted an audience to the ASEAN Finance Ministers and the Secretary-General of ASEAN on 25 March 2000 at Istana Nurul Iman. His Majesty was pleased to note ASEAN's good progress in recovering from the crisis and expressed his satisfaction with the progress made in implementing various decisions of the ASEAN Informal Summit in Manila last November. He noted that the Fourth AFMM would be discussing some of these mandates, which would help sustain the economic recovery. He looked forward to the successful deliberations of this Meeting and the continued prosperity of ASEAN economies.

Recent Economic Developments

4. We conducted a peer review and are pleased to note the continued improvement in our economic performances since our last meeting in Manila. ASEAN economies have performed better than expected, with the whole region growing by 4.4 % in 1999 compared to a contraction of 4.6 % a year earlier.

5. Macroeconomic and financial stability continues to improve with stabilizing exchange rates and declining interest and inflation rates. While growth has been mainly fueled by exports and consumption, improved confidence in the region has led to gradual return of local and foreign investors to the stock markets.

6. We exchanged views on regional and global economic developments with representatives of the ADB, the IMF, and the World Bank. We are confident that the region is poised for sustainable recovery given the economic fundamentals and our commitment to pursue the necessary structural reforms.

Sustaining ASEAN Economic Recovery

7. Notwithstanding this improved performance and the better prospects for this year, there are challenges that need to be overcome to ensure that recovery is sustained, including turning the improvement in domestic demand into self-sustaining growth, stimulating private investment and enhancing regional resilience to external shocks.

8. We have increased our efforts to revitalize domestic demand through retraining programs for the unemployed, the enhancement of social safety net and acceleration of bank and corporate restructuring. While the number of successful debt restructuring exercises has increased and non-performing loans continue their downward trend, the current level of progress can be further improved. We shall expedite legal and other structural reforms to facilitate the on-going banking and corporate restructuring exercises.

9. We have taken a proactive approach towards restoring private investment in the region. A joint ASEAN mission to Japan was undertaken last month to update investors on the current economic situation and investment opportunities in the region. A few more missions are planned to various destinations in the US and Europe.

10. To complement the above efforts to further encourage private investment into the region, we remain committed to creating an environment that is conducive to investment. We will further strengthen corporate governance practices, including transparency and disclosure, and establish a regional framework for the development of the ASEAN bond market. Our aim is to develop and deepen ASEAN's capital markets, particularly bond markets. This would provide a better variety of financing instruments and facilitate better risk management.

11. To enhance the competitiveness of state-owned enterprises as well as alleviate their burden on the fiscal budget, we are embarking on various reforms, including the privatisation of such enterprises. The benefits here are two fold. While they become more competitive with greater private sector involvement and rely less on the government for support, the proceeds from privatisation would also improve the financial position of the government.

12. All the above efforts shall contribute to our projected economic growth rate of around 4.5 % - 5% growth for the year 2000 and make our economies more robust and resistant to any external shocks that may arise.

ASEAN Finance Cooperation

13. Further supporting our efforts to sustain ASEAN economic recovery is the progress made in various regional finance cooperation activities including capital market development, monitoring capital flows and financial services liberalisation.

14. Recent progress on the capital markets development initiative includes work on cross listing of SMEs and the establishment of a working committee on the adoption and implementation of internationally accepted practices and standards. A workshop is planned for late April to discuss the development of asset-backed securities and bond markets.

15. We are currently examining a possible mechanism to monitor capital flows with a view to establishing a regional monitoring system of capital flows in ASEAN. A study will also be conducted to look at measures that can mitigate the adverse impact of a sudden shift in capital flows. It is expected that a workshop will be organised to discuss its outcome.

16. A working committee was formed to further discuss approaches to facilitate financial sector liberalisation under the ASEAN Framework Agreement on Services (AFAS). Another working committee was established to promote cooperation on tax and public finance within ASEAN.

17. Our ASEAN Insurance Regulators agreed to strengthen efforts to harmonize our insurance laws, develop unified insurance statistics and strengthen human resource development in the insurance sector, including the establishment of an ASEAN Insurance Training and Research Institute.

18. To facilitate the implementation of the Framework Agreement on the Facilitation of Goods in Transit, Protocol 2 on Frontier Posts and Protocol 7 on the Customs Transit System, and Protocol 5 on ASEAN Scheme of Compulsory Motor Vehicle Insurance are being finalised by the relevant authorities.

East Asia Finance Cooperation

19. Following the declaration by the ASEAN + 3 leaders in Manila in November 1999, our finance and central bank deputies met with their counterparts from China, Japan and Korea to exchange views on recent economic and financial developments in the region and to discuss further cooperation on international financial reforms, monitoring of capital flows and development of a self-help and support mechanism in East Asia.

20. The ASEAN + 3 Finance and Central Bank Deputies proposed a set of activities under the self-help and support mechanism to strengthen our mutual assistance efforts. They agreed to establish a network of research and training institutions to strengthen human resources development in the East Asia finance cooperation. They also agreed to establish a network of contact persons to facilitate regional surveillance in East Asia. Recognising the need for the availability of financial resources in times of crisis, they agreed to conduct a study on the modalities and mechanisms for a regional financing arrangement to supplement the existing international facilities.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 12



Agenda Item 5.1

**HIGHLIGHTS OF THE
ELEVENTH MEETING OF ASEAN NATIONAL TOURISM ORGANIZATIONS
AND THE THIRD MEETING OF ASEAN TOURISM MINISTERS**

Introduction

1 The Third Meeting of ASEAN Tourism Ministers (M-ATM) was held on 23 January 2000 and was preceded by the Eleventh Meeting of ASEAN National Tourism Organizations (ASEAN NTOs) held from 21-22 January 2000 in Bangkok, Thailand. Both meetings were held in conjunction with the on-going ASEAN Tourism Forum 2000 (ATF 2000). The theme of ATF 2000 was "Towards Seamless Intra-ASEAN Travel".

2 The following were the main issues discussed:

- a. Visit ASEAN Campaign;
- b. Implementation Status of the Plan of Action on ASEAN Cooperation in Tourism / Tourism Action Agenda under the Hanoi Plan of Action; and
- c. Liberalization of Trade in the Tourism Services Sector.

Highlights for SEOM's notation

(a) Visit ASEAN Campaign

3 The ASEAN NTOs / M-ATM agreed to undertake a Visit ASEAN campaign, as cost-effective means to promote the ASEAN Brand on a sustained basis and agreed to officially launch the campaign during ATF 2001 in Brunei Darussalam.

4 The Visit ASEAN campaign shall have the following implementing arrangements:

- (i) Visit ASEAN will have the overall objective to build on a strong branding of the ASEAN region as a single tourism destination;
- (ii) Visit ASEAN will not be a one-year campaign, but will take place over a sustained period beyond 2002, to progressively build on the ASEAN brand. By the year 2002, member countries will commence the Visit ASEAN campaign in conjunction with their respective marketing and promotional campaigns. Application of the Visit ASEAN branding shall be at the discretion of the individual member countries in their marketing and promotional campaigns;
- (iii) To achieve greater synergy, bilateral cooperation initiatives as well as those of the ASEAN subregions such as in BIMP-EAGA, IMT-GT, IMS-GT and the Greater Mekong Subregion will have to be integrated as part of the Visit ASEAN campaign; and
- (iv) The need to review the contribution scheme in view of Visit ASEAN's strategic objective of creating a distinct brand and sustained implementation, particularly, on the generic/core projects and activities as well as payment scheme.

(b) **Implementation Status of the Plan of Action on ASEAN Cooperation in Tourism / Tourism Action Agenda under the Hanoi Plan of Action**

5. The following were the accomplishments in 1999 in the implementation of the Plan of Action on ASEAN Cooperation in Tourism and the Tourism Action Agenda under the Hanoi Plan of Action:

- (a) Completion of the multi-sectoral survey on the **Facilitation of Intra-ASEAN Travel** which recommended, among others, the promotion of intra-ASEAN travel and the forging of a strong partnership and dialogue with the related sectors such as ASEAN transport, immigration, finance, customs and other authorities;
- (b) Voluntary participation of the ASEAN NTOs in the **Joint ASEAN Investment Missions** in Japan, United States and Europe. The **1999 ASEAN Tourism Investment Guide** will be updated and later incorporated into the ASEAN Secretariat Website;
- (c) Completion of the **Kangwon-do International Travel Exposition**, which was held on 11 September – 30 October 1999 in the Republic of Korea, which involved the participation of all ten ASEAN member countries. The **Two-Day Workshop on ASEAN and Korean Tourism for Korean and ASEAN Travel Agents** will be implemented this year;
- (d) Establishment of **ASEAN Lanes** in the international airports of Bali, Bangkok, Yangon, Ha Noi, Ho Chi Minh City and Kuala Lumpur. All ASEAN countries will have this special lane to support the Visit ASEAN campaign, through the complementary efforts of the ASEAN Directors-General of Immigration and Heads of Consular Division of ASEAN Ministries of Foreign Affairs;
- (e) Ongoing cooperation with the Senior Transport Officials Meeting (STOM) on cruise tourism development, the regular exchange of data on cruise industry and joint marketing and promotion. Some member countries will participate at the **Seatrade Cruise Shipping Convention** to be held on 7 – 11 March 2000 in Florida, USA. Funding assistance is also being sought for a proposed **ASEAN Cruise Development Study**; and
- (f) Publication of the **ASEAN Map** by the ASEAN Secretariat, which provides general information on the major tourism destinations of all ten ASEAN member countries, and the decision to publish the **Eco-Tourism Handbook** this year. A private – sector initiated **Seminar on Sustainable Tourism** will be held in Shah Alam, Malaysia in October 2000.

6. The ASEAN NTOs / M-ATM agreed to task the **ASEAN Communication Team for Tourism (ACTT)** to undertake regular exchange of information on the negative social aspects of tourism pertaining to child prostitution, human smuggling, paedophilia, drug trafficking etc. as these activities damage ASEAN's image as a single tourism destination.

(c) **Liberalization of Trade in the Tourism Services Sector**

7. As agreed in the 2nd M-ATM and in line with the decision of the Informal ASEAN Economic Ministers (AEM) Meeting, the ASEAN NTOs / M-ATM agreed to establish a special NTOs task force, reporting to the Meeting of ASEAN NTOs, as the platform to exclusively handle sectoral negotiations in the tourism services sector under the **ASEAN Framework Agreement on Services**. For this new responsibility, the ASEAN NTOs / M-ATM requested the special NTOs task force to maintain close coordination and consultation with relevant ASEAN bodies such as the **Coordinating Committee on Services**, **Coordinating**

Committee on Investments, STOM, etc. Thailand has been designated as country coordinator for this special NTOs task force.

8 To enhance the role of tourism in ASEAN's sustained economic growth, the ASEAN NTOs / M-ATM agreed to promote ASEAN travel and tourism in three fronts: **domestic tourism, intra-ASEAN and international tourism**, as well as in three platforms -- **investment in tourism facilities and infrastructure, removal of barriers and complementary marketing programs for ASEAN tourism**, through the relevant task forces. In addition, the ASEAN NTOs / M-ATM have agreed to cooperate in the promotion of domestic tourism and explore ways and means to further promote the growth of intra-ASEAN travel in a more focused and urgent manner. Relaxation of visa requirements, promotion and development of cruise tourism, air services liberalization and strong presence in major travel marts are among those to be further looked into by the ASEAN NTOs and relevant ASEAN bodies.

9. The 13th Meeting of ASEAN NTOs will be held on 19 – 20 January 2001, to be followed by the 4th M-ATM to be held on 21 January 2001 in Bandar Seri Begawan, Brunei Darussalam. Both meetings will be held in conjunction with the ASEAN Tourism Forum 2001 (ATF 2001) on 18 – 24 January 2001, with *"ASEAN: Pinnacle of Tourism Excellence"* as the theme.

SEOM MAY WISH TO NOTE THE ABOVE DEVELOPMENTS.

Attachments

- (a) Report of the Eleventh Meeting of ASEAN National Tourism Organizations (ASEAN NTOs), 21 – 22 January 2000, Bangkok
- (b) Third Meeting of ASEAN Tourism Ministers (M-ATM), 23 January 2000, Bangkok.

**REPORT OF THE ELEVENTH MEETING OF
ASEAN NATIONAL TOURISM ORGANIZATIONS
21 – 22 January 2000, Bangkok, Thailand**

INTRODUCTION

1. The Eleventh Meeting of ASEAN National Tourism Organizations (ASEAN NTOs) was held on 21 – 22 January 2000 in Bangkok, Thailand.
2. The Meeting was attended by delegates from Brunei Darussalam, Cambodia, Indonesia, Laos, P.D.R., Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Representatives from the ASEAN Secretariat were also present.
3. The list of delegates appears as ANNEX A.

AGENDA ITEM 1: WELCOMING AND OPENING REMARKS BY THE CHAIRMAN OF THE 11th MEETING OF ASEAN NTOs

4. Mr. Pradech Phayakvichien, Governor, Tourism Authority of Thailand (TAT), welcomed the delegations to the Eleventh Meeting of ASEAN NTOs and to Bangkok.
5. In his Welcoming and Opening Remarks, Mr. Pradech stressed the importance to address the marketing and promotion of ASEAN with open mind, in view of the diverse cultural, historical, social and technological backgrounds among the ten ASEAN member countries. He cited, however, that these differences are ASEAN tourism's greatest strength, which will pave the way towards a larger market share as compared to other regions. Finally, Mr. Pradech urged member countries to forge ahead with the planning for the Visit ASEAN Millennium Year 2002 campaign, as well as issues relating to tourism investment, transportation and services liberalization.
6. The full text of his Welcoming and Opening Remarks appears as ANNEX B.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

7. The Meeting considered and adopted the Agenda, which appears as ANNEX C.

AGENDA ITEM 3: BUSINESS ARRANGEMENTS

8. The Meeting was held in Plenary. A Drafting Committee was formed to prepare the Draft Report of the Eleventh Meeting of ASEAN NTOs as well as the Draft of the Joint Press Statement (JPS) of the Third Meeting of ASEAN Tourism Ministers (3rd M-ATM).

AGENDA ITEM 4: VISIT ASEAN MILLENNIUM YEAR 2002

4.1 Marketing the ASEAN Region as a Single Destination

9. The Meeting considered the Report of the Fifth Meeting of the Task Force on the ASEAN Joint Marketing Program "ASEAN as a Single Destination" held on 3 – 4 December 1999 in Bangkok, presented by Brunei Darussalam, which appears as ANNEX D.
10. The Meeting discussed the financial implications of the Visit ASEAN Millennium Year (VAMY) 2002 campaign vis-à-vis the budgetary resources of the member countries. Taking into account the views of

the member countries, the Meeting agreed to recommend to the Tourism Ministers to undertake a Visit ASEAN Millennium (VAM) campaign, instead of a VAMY 2002 program. In this regard, the Meeting also agreed to recommend to officially launch the VAM campaign during ATF 2001 in Brunei Darussalam, with the following implementation arrangements:

- (a) The VAM will have the overall objective to build on the branding of the ASEAN region as a single tourism destination.
- (b) The VAM will not be a one-year campaign, but will take place over a sustained period beyond 2002, to progressively build on the ASEAN brand. By the year 2002, member countries will commence the VAM campaign in conjunction with their respective marketing and promotional campaigns. Application of the VAM branding shall be at the discretion of the individual member countries in their marketing and promotional campaigns.
- (c) To achieve greater synergy, bilateral cooperation initiatives as well as those of the ASEAN subregions such as in BIMP-EAGA, INT-GT, IMS-GT and the Greater Mekong Subregion will have to be integrated as part of the VAM campaign; and
- (d) The need to review the contribution scheme in view of VAM's strategic objective of creating a distinct brand and sustained implementation, particularly, on the generic/core projects and activities as well as payment scheme.

11. The Meeting adopted the Working Document for the VAM campaign, which appears as **ANNEX E**.

12. To ensure the success of the VAM campaign, the Meeting viewed the importance to seek assistance from the relevant ASEAN committees such as the Senior Transport Officials Meeting (STOM), Committee on Culture and Information (COCI) and ASEAN Dialogue Partners. The Meeting urged the greater participation and involvement of the private sector involved in the tourism and travel trade to pursue complementary projects and activities.

13. In this regard, the Meeting requested the Task Force on Joint Marketing to reconsider the draft VAMY 2002 Work Program and Implementation Scheme, and the Proposed Budget and Contribution Scheme, which appear as **ANNEXES F** and **G** and to submit the final drafts in line with the above implementation arrangements. The Meeting noted that the Task Force will convene on 2 February 2000 in Singapore, to include the process of shortlisting the potential Advertising and Public Relations Agencies.

4.2 Selection of Advertising and Public Relations Agencies

14. The Philippines briefed the Meeting on the preparations for the proposed selection of the Advertising and Public Relations Agencies. The related document appears as **ANNEX H**.

4.3 VAMY 2002 Festivals/Special Events

15. The Meeting noted the tentative Festivals and Special Events to be launched by Cambodia, Malaysia, Singapore and the Philippines, which appear as **ANNEX I** and requested the Task Force on Joint Marketing to consider the list in line with the reorientation of the VAM campaign.

4.4 ASEAN Promotion Centre (APC) in Tokyo

16. The Meeting noted the project proposal on ASEAN – Japan Cooperation for the Visit ASEAN ASEAN Millennium Program, which appears as ANNEX J and requested the Task Force on Joint Marketing to consider the proposal in line with the reorientation of the VAM campaign

AGENDA ITEM 5: IMPLEMENTATION OF THE PLAN OF ACTION ON ASEAN COOPERATION IN TOURISM/HANOI PLAN OF ACTION

17. The Meeting noted the matrix outlining the progress and developments of the theme issues under the Plan of Action on ASEAN Cooperation in Tourism and the Tourism Action Agenda under the Hanoi Plan of Action since the 10th Meeting of ASEAN NTOs, which appear as ANNEXES K and L, respectively

5.1 Marketing the ASEAN Region as a Single Destination (Brunei Darussalam)

18. In addition to the VAM campaign, the Meeting noted the completion of the ROK-assisted Kangwon-do International Travel Exposition held on 11 September – 30 October 1999 in Republic of Korea and the forthcoming implementation of the Two-Day Workshop on ASEAN and Korean Tourism, for ASEAN and Korean Travel Agents in Seoul, which are among the ongoing activities to market the ASEAN region as single destination.

5.2 Environmentally Sustainable Tourism (Malaysia)

19. The Meeting approved the publication of the 64-pages ASEAN Eco-Tourism for 5,000 copies in the total amount of US\$ 22,026.30 chargeable against the ASEAN NTOs Fund. The Meeting requested Malaysia to forward the draft of the publication to member countries, for comments, prior to final printing. The Meeting agreed that member countries wishing to purchase additional copies, at their own costs, should inform Malaysia accordingly. The draft outline of the ASEAN Eco-Tourism, as submitted by Malaysia, appears as ANNEX M.

20. The Meeting agreed, in-principle, to launch the private-sector initiated Seminar on Sustainable Tourism to be held in Shah Alam, Selangor, Malaysia. The Meeting also agreed to tentatively schedule the seminar in October 2000 and requested Malaysia to review the Program of Activities and the list of speakers, in consultation with the member countries. The Meeting requested member countries to appraise Malaysia on the potential number of ASEAN NTOs participants to the Seminar. The proposal on the Seminar appears as ANNEX N.

5.3 Encouraging Tourism Investments (Singapore)

21. The Meeting considered and adopted the Report of the Second ASEAN Task Force on Tourism Investment on 20 January 2000 in Bangkok, as presented by Singapore, which appears as ANNEX O.

22. Among the highlights of the Task Force Meeting are as follows:

- (a) Efforts are being made for the ASEAN NTOs to participate in the Joint ASEAN Investment Promotion Missions to be held in Japan, USA and Europe;
- (b) Recognition of the value and importance of the Bold Measures towards contributing to the development and liberalization of the tourism sector. In this regard, the Task Force agreed to help surface the impact of certain Bold Measures to the relevant

overseeing committee(s), so that the interest of the tourism sector could be protected and taken into account; and

- (c) Updating of the relevant information by 15 February 2000 of the ASEAN Tourism Investment Guide and the eventual incorporation into the ASEAN Secretariat Website

5.4 Tourism Manpower Development (Indonesia)

23. Indonesia briefed the Meeting on the preparatory activities for the First Meeting of the Task Force on Tourism Manpower Development to be held on 9 March 2000 in Jakarta. The Draft Provisional/Annotated Agenda and Program of Activities appear as ANNEX P. The Meeting requested member countries to submit their designated representatives to the Task Force no later than 15 February 2000.

24. The Meeting noted the first draft on the Establishment of the ASEAN Tourism Education and Training Network, which appears as ANNEX O and requested member countries to submit their comments and suggestions, for compilation by Indonesia.

25. The Meeting agreed that the implementation of the ASEAN occupational skills standard shall be confined to the development of a uniform standard and shall not involve the concept of free movement of labor between member countries in the region.

5.5 Facilitation of Intra-ASEAN Travel

26. Thailand briefed the Meeting on the preliminary results of its multi-sectoral survey on the Facilitation of Intra-ASEAN Travel, which recommended, among others, the promotion of intra-ASEAN travel and the forging of a strong partnership and dialogue with the related sectors such as ASEAN transport, immigration, finance, customs and other authorities. The Information Paper appears as ANNEX R.

27. The Meeting noted with appreciation that the ASEAN Directors-General of Immigration Departments and Heads of Consular Division of ASEAN Ministries of Foreign Affairs held in Yangon on 13 – 14 December 1999 agreed to establish as soon as possible ASEAN Lanes at the International Airports of ASEAN member countries to promote regional identity among ASEAN nationals and support the VAM Campaign. The extract of the decision appears as ANNEX S.

28. The Meeting agreed to the suggestion of the ASEAN Secretariat to convey the survey findings and recommendations in the area of civil aviation to the First ASEAN Air Transport Working Group Meeting to be held on 25 – 27 January 2000 in Brunei Darussalam.

29. The Meeting agreed to set quantitative targets to monitor the progress on Facilitation of Intra-ASEAN Travel, results of which can be reported in the ASEAN NTOs meeting.

AGENDA ITEM 6: JOINT ASEAN NTOs - STOM ANNUAL CONSULTATION

6.1 Report of the First ASEAN Cruise Working Group Meeting

30. The Meeting considered and adopted the Report of the First ASEAN Cruise Working Group Meeting held on 5 – 6 October 1999 in Singapore, including the Terms of Reference (TOR) of the Working Group, which appears as ANNEX T. The Meeting noted Singapore's efforts to coordinate the three areas of cooperation, namely: the cruise development study, the exchange of data on cruise industry, and joint

marketing and promotion.

31. The Meeting noted that Singapore's offer to coordinate the ASEAN NTOs participation at the Seatrade Cruise Shipping Convention to be held on 7 – 11 March 2000 in Miami, Florida, USA, received favorable responses from Indonesia, Malaysia and Thailand, who have decided to participate at this event individually.

6.2 ASEAN Cruise Development Study

32. The Meeting considered and adopted the Project Document on the ASEAN Cruise Development Study, which appears as ANNEX V. The Meeting agreed to incorporate an analysis on "fly-cruise" concept into the Study.

33. The Meeting agreed to submit the Project Document for STOM's endorsement. The Meeting also noted that the ASEAN Secretariat is seeking fund for this project.

6.3 VAM Cooperation

34. The Meeting agreed that the ASEAN NTOs and STOM will approach their respective national carriers/airlines to discuss the possibility of offering special fares, incentives and other arrangements to promote and market the VAM campaign.

35. The Meeting requested the ASEAN Secretariat to report on the developments of the VAM campaign in the 1st ASEAN Air Transport Working Group Meeting in Brunei Darussalam.

6.4 Traffic Liberalization and the Privatization of Airports and Airlines in the ASEAN Region

36. The representative of STOM – Thailand briefed the Meeting on the prevailing civil aviation policies in ASEAN in relation to the VAM campaign and the results of the U.S-sponsored Conference on "Beyond Open Skies" held in Chicago in December 1999.

AGENDA ITEM 7: BOLD MEASURES FOR TOURISM AND TRAVEL/ASEAN FRAMEWORK AGREEMENT ON SERVICES

7.1 Bold Measures for Tourism and Travel

7.2 ASEAN Framework Agreement on Services

37. The Meeting agreed to jointly consider the above items.

38. The Meeting considered the ASEAN Secretariat Discussion Paper on the related developments on the sectoral services negotiations under the ASEAN Framework Agreement on Services, particularly, on the decision of the ASEAN Economic Ministers (AEM) for the sectoral ministers (ASEAN Transport Ministers, ASEAN Finance Ministers, ASEAN Tourism Ministers) to take lead in the liberalization of their respective services sector. The Discussion Paper appears as ANNEX U.

39. In line with the AEM's decision and to pursue the implementation of bold measures for tourism and travel, the Meeting agreed to seek the views of the ASEAN Tourism Ministers on this new role and if the Ministers agree to take on this new responsibility, the Meeting agreed to establish a special NTOs Task Force reporting to the Meeting of ASEAN NTOs, as the platform to exclusively handle the sector.

negotiations for the tourism sector. The Meeting welcomed the offer of Thailand to be the coordinating country for this Task Force.

40. The Meeting stressed that the representatives of the member countries to this special Task Force be those who have sufficient authority for the negotiations.

AGENDA ITEM 8: REPORT OF THE ASEAN SECRETARIAT

8.1 Two-Day Workshop on ASEAN and Korean Tourism for Korean and ASEAN Travel Agents

41. The Meeting noted the development of Two-Day Workshop on ASEAN and Korean Tourism for Korean and ASEAN Travel Agents, particularly, on the technical assistance received in the total amount of US\$ 305,320 from the Government of the Republic of Korea. The ASEAN Secretariat Discussion Paper appears as ANNEX W.

42. The Meeting requested the ASEAN Secretariat to recommend suitable dates for the Workshop, in consultation with the Korean counterpart organizers and to inform member countries accordingly. One possible opportunity is to hold the Workshop back-to-back with the First APEC Tourism Ministers Meeting to be held on 4 – 7 July 2000 in Seoul, Republic of Korea or during the Korea Overseas Travel Fair (KOTFA). The meeting also requested the Singapore Tourism Board (STB) and the ASEAN Secretariat to come up with a suitable program for the Workshop.

43. The Meeting agreed to request member countries to designate a focal point and to inform the ASEAN Secretariat accordingly.

8.2 Status of the ASEAN National Tourism Organizations Fund

44. The Meeting noted the status report on the ASEAN NTOs Fund as of 31 December 1999, which appears as ANNEX X. The Meeting requested member countries who have not remitted their first year (1999) contribution to do so no later than 15 February 2000.

45. The Meeting also requested all member countries to remit their second year (2000) contribution no later than 31 March 2000.

8.3 Kangwon-do International Travel Exposition, Republic of Korea

46. The Meeting noted the Report of the Kangwon-do International Travel Exposition, Republic of Korea held on 11 September – 30 October 1999, which appears as ANNEX Y. The Meeting also noted that the Exposition did not achieve the projected number of visitors.

47. The Meeting agreed that the ASEAN NTOs should be more selective in participating in future Expositions of similar nature.

8.4 Television Video Commercial (TVC) to Promote ASEAN as a Single Destination

48. The Meeting considered the ASEAN Secretariat Discussion Paper on the production of a 30-second TVC to promote ASEAN as a Single Destination, which appears as ANNEX Z.

49. The Meeting agreed to realign the project from the purchase of airtime to the actual TVC production

to support the VAM campaign. In this regard, the Meeting requested the ASEAN Secretariat to convey this proposal to UNDP, for consideration and to inform the ASEAN NTOs of UNDP's decision in due course. In addition, the Meeting agreed that the ASEAN NTOs will coordinate with their ASEAN respective Committee on Culture and Information (COCI) counterparts for possible assistance in running the TVC in the national TV stations. The ASEAN Secretariat was also requested to seek the assistance of COCI in this particular activity.

50. The Meeting also agreed to request the respective national carriers/airlines to run the TVC in their in-flight entertainment services. The Meeting further agreed to convey this request to the forthcoming ASEANTA Board.

51. In the event of a positive response from UNDP, the Meeting requested the Task Force on Joint Marketing to consider the possible storyboard and other implementing arrangements.

8.5 ASEAN Map

52. The Meeting noted the ASEAN Secretariat Discussion Paper on the completion of the ASEAN Map, which appears as ANNEX AA.

8.6 Develop a Website/Information Database on Relevant Tourism Statistical Data and other Related Information

53. The Meeting considered the ASEAN Secretariat Discussion Paper outlining the guidelines and planned activities to Develop a Website/Information on Relevant Tourism Statistical Data and the VAMYC 2002 Webpage, which appears as ANNEX AB.

54. The Meeting welcomed the possibility of private sector assistance for the development of the VAM Website, subject to an open competition basis. As an alternative, the Meeting approved, in-principle, the maximum amount of US\$ 1,500 chargeable against the ASEAN NTOs Fund, for use by the ASEAN Secretariat, to construct the VAM Webpage.

8.7 ASEAN Tourism Performance 1998 - 1999

55. The Meeting noted the ASEAN Secretariat Information Paper on ASEAN Tourism Performance for 1998 - 1999, which appears as ANNEX AC.

AGENDA ITEM 9: ASEAN COMMUNICATIONS TEAM FOR TOURISM (ACTT)

56. Thailand briefed the Meeting on the activities of ACTT since the 10th Meeting of ASEAN NTOs. The Meeting noted that Brunei Darussalam assumed chairmanship of ACTT for 2000 until ATF 2001. The Meeting agreed on the collaboration with Indonesia on the current situation. The Report appears as ANNEX AD.

AGENDA ITEM 10: VOLUNTARY REPORTS ON TOURISM DEVELOPMENT

57. The Meeting noted the Voluntary Reports on Tourism Development as submitted by Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Viet Nam, which appear as ANNEXES AE, AF, AG, AH, AI, AJ and AK, respectively.

AGENDA ITEM 11: ASEAN TOURISM FORUM

11.1 ASEAN Tourism Forum 2000 (ATF 2000), Bangkok

58. Thailand briefed the Meeting on the program of activities for the ATF 2000 to be held on 21 – 26 January 2000, which appears as ANNEX AL. Thailand informed the Meeting that this is the first ATF where all the ten members of ASEAN are participating.

59. The Meeting noted that there were 369 registered buyers, 454 sellers and 461 number of booths as of 21 January 2000.

11.2 ASEAN Tourism Forum 2001 (ATF 2001), Bandar Seri Begawan

60. The Meeting was briefed by Brunei Darussalam on the preparation for ATF 2001, which will be held in Bandar Seri Begawan on 18 – 24 January 2001, with “ASEAN: Pinnacle of Tourism Excellence” as the possible theme. The Information Paper of Brunei Darussalam as ANNEX AM.

AGENDA ITEM 12: ASEANTA MATTERS

61. The Meeting was briefed by the representative from the ASEAN Tourism Association (ASEANTA) of its activities during the period 1999 and planned activities for 2000. The Information Paper of ASEANTA appears as ANNEX AN.

62. The Meeting noted that ASEANTA’s Website will be on-line within two months. The Meeting also noted that the ASEAN Air and Hotel Pass will be launched next month.

AGENDA ITEM 13: PREPARATIONS FOR THE THIRD M-ATM

13.1 Draft Agenda for the Third M-ATM

63. The Meeting considered and adopted the draft Provisional/Annotated Agenda for the Third M-ATM, which appears as ANNEX AO.

64. The Meeting noted the Statement of the ASEAN Secretary – General for the Third M-ATM, which appears as ANNEX AP.

13.2 Draft Joint Press Statement for the Third M-ATM

65. The Meeting considered and adopted the Joint Press Statement for the Third M-ATM, which appears as ANNEX AQ.

AGENDA ITEM 14: OTHER MATTERS

66. No other matters were discussed.

AGENDA ITEM 15: DATE AND VENUE OF THE NEXT MEETING

67. The Meeting agreed to hold the Twelfth Meeting of ASEAN NTOs in Indonesia sometime in July/August 2000. Indonesia will inform the exact dates and venue in due course.

AGENDA ITEM 16:

CONSIDERATION AND ADOPTION OF THE REPORT

68. The Meeting considered and adopted the Report of the Eleventh Meeting of the ASEAN NTOs held on 21 – 22 January 2000 in Bangkok, Thailand.

AGENDA ITEM 17: HANDING-OVER OF CHAIRMANSHIP

69. The Meeting recalled the decision of the Fourth Meeting of the ASEAN NTOs held on 21 – 22 September 1996 in Manila, that the host country of the ASEAN Tourism Forum (ATF) would be the Chairman of the Meeting of the ASEAN NTOs and the subsequent host country would be the Vice-Chairman.

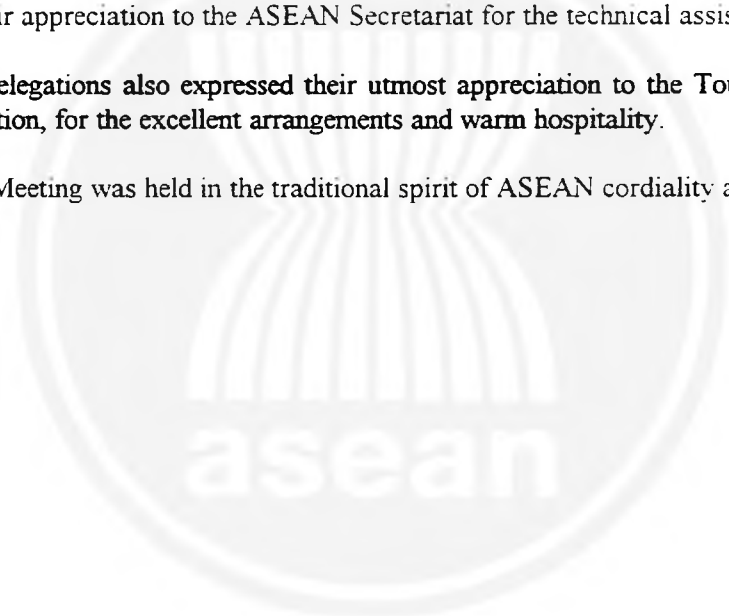
70. In view of the above, Mr. Pradech Phayakvichien, Leader of Thailand delegation and Chairman of the Eleventh Meeting of ASEAN NTOs, handed-over the Chairmanship of the ASEAN NTOs Meeting to Sheikh Jamaluddin bin Sheikh Mohamed, Director – General, Ministry of Tourism, Industry and Primary Resources of Brunei Darussalam.

ACKNOWLEDGEMENT

71. The delegations of Brunei Darussalam, Cambodia, Indonesia, Lao P.D.R., Malaysia, Myanmar, Philippines, Singapore, Viet Nam expressed their sincere appreciation to the Government and people of Thailand for their warm hospitality and excellent arrangements made for the Meeting. The delegations also expressed their appreciation to the ASEAN Secretariat for the technical assistance rendered to the Meeting.

72. All delegations also expressed their utmost appreciation to the Tourism Authority of Thailand, as host organization, for the excellent arrangements and warm hospitality.

The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.



REPORT OF THE THIRD MEETING OF ASEAN TOURISM MINISTERS
23 January 2000, Bangkok, Thailand

INTRODUCTION

1 The Third Meeting of ASEAN Tourism Ministers (M-ATM) was held on 23 January 2000 in Bangkok, Thailand preceded by the 11th Meeting of the ASEAN National Tourism Organizations (NTOs) held from 21-22 January 2000. Both Meetings were held in conjunction with the on-going ASEAN Tourism Forum 2000 (ATF 2000) held on 21 – 26 January 2000. The theme of ATF 2000 is “Towards Seamless Intra-ASEAN Travel”.

2 The Meeting extended a warm welcome to Cambodia for her attendance in the Third M-ATM, as a full-pledge member of ASEAN.

3 The Meeting was attended by:

- a. H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam
- b. H.E. Mr Veng Sereyvuth, Minister of Tourism, Cambodia;
- c. Mr. I Gede Ardika, Director – General of Tourism on behalf of H.E. Mr. Hidayat Djaelani, State Minister of Tourism and Arts of Indonesia;
- d. H.E. Mr Cheng Sayavong, Vice-Minister of Commerce & Tourism and Chairman of the National Tourism Authority of Lao PDR, Lao PDR;
- e. H.E. Dato’ Abdul Kadir Bin Haji Sheikh Fadzir, Minister of Culture, Arts and Tourism, Malaysia;
- f. H.E. Major General Saw Lwin, Minister of Hotels and Tourism, Myanmar;
- g. H.E. Ms Gemma Cruz-Araneta, Minister of Tourism, Philippines;
- h. H.E. Mr Lim Swee Say, Minister of State for Trade and Industry, Singapore;
- i. H.E. Mrs. Pavena Hongsakula, Minister to the Prime Minister’s Office and Chairperson of the Tourism Authority of Thailand, Thailand;
- j. H.E. Dr Nguyen Phu Duc, Vice Chairman of Vietnam National Administration of Tourism, Vietnam; and
- k. H.E. Mr Rodolfo C. Severino, Jr., ASEAN Secretary-General.

4 The list of delegates appears as **ANNEX A**.

AGENDA ITEM 1: ASSUMPTION OF CHAIRMAN AND VICE-CHAIRMAN

5 In line with the decision of the First M-ATM, the Meeting was chaired by H.E. Mrs. Pavena Hongsakula, Minister to the Prime Minister’s Office and Chairperson of the Tourism Authority of Thailand, with H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei Darussalam as Vice-Chairman.

AGENDA ITEM 2: WELCOMING AND OPENING REMARKS OF THE HOST COUNTRY

6 H.E. Mrs. Pavana Hongsakula, Minister to the Prime Minister's Office and Chairperson of the Tourism Authority of Thailand, welcomed all ASEAN Tourism Ministers and all delegations to the 3rd M-ATM in Bangkok.

7 In her Welcoming and Opening Remarks, Mrs. Pavana stressed the need for collaboration between Member Countries in order to overcome the impact of the financial crisis collectively. She stressed the importance of tourism as among the key sectors that would create employment opportunities and investments for the region.

8 The full text of her Welcoming and Opening Remarks appears as ANNEX B.

AGENDA ITEM 3: ADOPTION OF THE AGENDA

9 The Meeting considered and adopted the Agenda, which appears as ANNEX C.

AGENDA ITEM 4: BUSINESS ARRANGEMENTS

10 The Meeting was held in Plenary.

AGENDA ITEM 5: CONSIDERATION AND ADOPTION OF THE REPORTS OF ASEAN NTOs MEETINGS

5.1 REPORT OF THE 10TH MEETING OF ASEAN NTOs

5.2 REPORT OF THE 11TH MEETING OF ASEAN NTOs,

11 Mr. Pradech Phayakvichien, Governor of the Tourism Authority of Thailand and Chairman of the Meeting of ASEAN National Tourism Organizations, highlighted the deliberations of the 10th and 11th Meetings of ASEAN NTOs. The Report of the ASEAN NTOs Chairman appears as ANNEX D.

12 The Meeting considered and adopted the Reports of the 10th and 11th Meetings of ASEAN NTOs held on 25 – 26 August 1999 in Yangon, Myanmar and 21 – 22 January 2000 in Bangkok, Thailand, respectively. The Reports appear as ANNEXES E and F respectively.

AGENDA ITEM 6: VISIT ASEAN CAMPAIGN

13 In considering the financial implications of the Visit ASEAN Millennium Year (VAMY) 2002 program vis-à-vis the budgetary resources of member countries, the Meeting viewed that the marketing of events such as VAMY 2002 program will entail huge financial requirements. In this regard, the Meeting ~~agreed~~ to undertake a Visit ASEAN campaign, instead of a VAMY 2002 program, as this will prove to be a cost-effective means to promote the ASEAN brand on a sustained basis. The Meeting also ~~agreed~~ to officially launch the Visit ASEAN campaign during ATF 2001 in Brunei Darussalam.

14 In particular, the Meeting agreed that the Visit ASEAN campaign will be implemented with the following arrangements:

- (a) Visit ASEAN will have the overall objective to build on a strong branding of the ASEAN region as a single tourism destination;

- (b) **Visit ASEAN** will not be a one-year campaign, but will take place over a sustained period beyond 2002, to progressively build on the **ASEAN brand**. By the year 2002, member countries will commence the **Visit ASEAN** campaign in conjunction with their respective marketing and promotional campaigns. Application of the **Visit ASEAN** branding shall be at the discretion of the individual member countries in their marketing and promotional campaigns;
- (c) To achieve greater synergy, bilateral cooperation initiatives as well as those of the **ASEAN** subregions such as in **BIMP-EAGA**, **IMT-GT**, **IMS-GT** and the **Greater Mekong Subregion** will have to be integrated as part of the **Visit ASEAN** campaign; and
- (d) The need to review the contribution scheme in view of **Visit ASEAN's** strategic objective of creating a distinct brand and sustained implementation, particularly, on the generic/core projects and activities as well as payment scheme.

15. The Meeting stressed the importance of pursuing the **Visit ASEAN** campaign as a strong and unified cooperative endeavor between and among the member countries.

16. The Meeting expressed appreciation to the Philippines' offer to continue as the interim secretariat for the **Visit ASEAN** campaign.

AGENDA ITEM 7: IMPLEMENTATION STATUS OF THE PLAN OF ACTION ON ASEAN COOPERATION IN TOURISM/TOURISM ACTION AGENDA UNDER THE HANOI PLAN OF ACTION

17. The Meeting considered the implementation status of the Plan of Action on ASEAN Cooperation in Tourism and the Tourism Action Agenda under the Hanoi Plan of Action.

18. In particular, the Meeting was pleased to note the accomplishments of the ASEAN NTOs in 1999, as follows:

- (a) Compilation and analysis of the results of TAT's multi-sectoral survey on the **Facilitation of Intra-ASEAN Travel** which recommended, among others, the promotion of intra-ASEAN travel and the forging of a strong partnership and dialogue with the related sectors such as ASEAN transport, immigration, finance, customs and other authorities;
- (b) Participation of the ASEAN NTOs, of which planning is underway, in the Joint ASEAN Investment Missions in Japan, United States and Europe. The 1999 ASEAN Tourism Investment Guide will be updated and later incorporated into the ASEAN Secretariat Website;
- (c) Completion of the **Kangwon-do International Travel Exposition**, which was held on 11 September – 30 October 1999 in the Republic of Korea, which for the first time involved the participation of all ten ASEAN member countries. The Two-Day Workshop on ASEAN and Korean Tourism for Korean and ASEAN Travel Agents will be implemented this year;
- (d) Establishment of ASEAN Lanes in the international airports of Bali, Bangkok, Yangon, Ha Noi, Ho Chi Minh City and Kuala Lumpur. All ASEAN

countries will have this special lane to support the Visit ASEAN campaign, through the complementary efforts of the ASEAN Directors-General of Immigration and Heads of Consular Division of ASEAN Ministries of Foreign Affairs:

- (e) Ongoing cooperation with the Senior Transport Officials Meeting (STOM) on cruise tourism development, the regular exchange of data on cruise industry and joint marketing and promotion. Some member countries will participate at the Seatrade Cruise Shipping Convention to be held on 7 – 11 March 2000 in Florida, USA. Funding assistance is also being sought for a proposed cruise development study; and
- (f) Publication of the ASEAN Map by the ASEAN Secretariat, which provides general information on the major tourism destinations of all ten ASEAN member countries, and the decision to publish the Eco-Tourism Handbook this year.

19. The Meeting agreed to task the ASEAN Communication Team for Tourism (ACTT) to undertake regular exchange of information on the negative social aspects of tourism pertaining to child prostitution, human smuggling, paedophilia, drug trafficking etc. as these activities damage ASEAN's image as a single tourism destination.

AGENDA ITEM 8: BOLD MEASURES FOR TOURISM AND TRAVEL/ASEAN FRAMEWORK AGREEMENT ON SERVICES

20. The Meeting considered the decision of the Informal ASEAN Economic Ministers (AEM) Meeting held on 30 June 1999 in Auckland for the sectoral Ministers (ASEAN Tourism, Transport and Finance Ministers) to take lead in the liberalization of their respective sectors. The Meeting also noted the 31st AEM held on 30 September 1999 in Singapore approved the set of parameters, which the services negotiations will be conducted.

21. In line with the above AEM's decisions, and to implement bold measures for tourism and travel as agreed in the Second M-ATM, the Meeting agreed to establish a special NTOs task force, reporting to the Meeting of ASEAN NTOs, as the platform to assume this new responsibility to exclusively handle sectoral negotiations in the tourism services sector.

22. For this new responsibility of the ASEAN NTOs, the Meeting requested the special NTOs task force to maintain close coordination and consultation with relevant ASEAN bodies such as the Coordinating Committee on Services, Coordinating Committee on Investments, STOM, etc.

23. The Meeting welcomed with appreciation the offer of Thailand to be the country coordinator for the special NTOs task force.

AGENDA ITEM 9: ROLE OF TOURISM IN ASEAN'S SUSTAINED ECONOMIC GROWTH

24. The Meeting expressed appreciation to the briefing made by the ASEAN Secretary-General. The working paper of the ASEAN Secretary-General on "ASEAN: Removing the Barriers" appears as ANNEX G.

25. The Meeting had extensive discussion on the role of tourism in ASEAN's sustained economic growth and agreed to task the Meeting of ASEAN NTOs, through the relevant task forces, to follow-up the various views taken up to promote ASEAN travel and tourism in three fronts: domestic

tourism, intra-ASEAN and international tourism, as well as in three platforms -- investment in tourism facilities and infrastructure, removal of barriers and complementary marketing programs for ASEAN tourism.

26. In particular, the Meeting agreed to exchange experience and cooperate in the promotion of domestic tourism and to explore ways and means to further promote the growth of intra-ASEAN travel in a more focused and urgent manner. Relaxation of visa requirements, promotion and development of cruise tourism, air services liberalization and strong presence in major travel marts are among those to be further looked into by the ASEAN NTOs and relevant ASEAN bodies.

27. The Meeting also agreed that the ASEAN NTOs Meeting will look into the present practice of price cutting by ASEAN tour operators. In this regard, the Meeting requested the ASEAN NTOs to study this matter in depth and propose solutions before the situation deteriorates further.

AGENDA ITEM 10: CONSIDERATION AND ADOPTION OF THE JOINT PRESS STATEMENT

28. The Meeting considered and adopted the Joint Press Statement of the Third Meeting of ASEAN Tourism Ministers held on 23 January 2000 in Bangkok, Thailand, which appears as ANNEX H.

AGENDA ITEM 11: OTHER MATTERS

29. The Meeting discussed no other matters.

AGENDA ITEM 12: DATE AND VENUE OF THE NEXT MEETING

30. The Ministers agreed to hold the Fourth Meeting of ASEAN Tourism Ministers on 21 January 2001 in Bandar Seri Begawan, Brunei Darussalam during the ASEAN Tourism Forum 2001 (ATF 2001) to be held on 18 – 24 January 2001, with “*ASEAN: Pinnacle of Tourism Excellence*” as the theme.

AGENDA ITEM 13: CONSIDERATION AND ADOPTION OF THE REPORT

31. The Meeting considered and adopted the Report of the Third Meeting of ASEAN Tourism Ministers held in Bangkok, Thailand on 23 January 2000.

ACKNOWLEDGEMENT

32. The delegations of Brunei Darussalam, Cambodia, Indonesia, Lao P.D.R., Malaysia, Myanmar, Philippines, Singapore and Viet Nam expressed their sincere appreciation to the Government and people of Thailand for their warm hospitality and excellent arrangements made for the Meeting. The delegations also expressed their profound appreciation to the ASEAN Secretariat for the technical assistance rendered to the Meeting.

The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.

JOINT PRESS STATEMENT

THIRD MEETING OF ASEAN TOURISM MINISTERS (3rd M-ATM)

23 January 1999, Bangkok, Thailand

The Third Meeting of ASEAN Tourism Ministers (M-ATM) was held on 23 January 2000 and was preceded by the Eleventh Meeting of ASEAN National Tourism Organizations (ASEAN NTOs) held from 21-22 January 2000. Both meetings were held in conjunction with the on-going ASEAN Tourism Forum 2000 (ATF 2000).

The Third M-ATM was chaired by H.E. Mrs. Pavana Hongsakula, Minister to the Prime Minister's Office and Chairperson of the Tourism Authority of Thailand, with H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei Darussalam, as Vice-Chairman. The list of ASEAN Tourism Ministers in attendance is attached.

Launching the Visit ASEAN Campaign

The Ministers agreed to reformulate the Visit ASEAN Millennium Year 2002 program into a *Visit ASEAN* campaign. The overall objective of the *Visit ASEAN* campaign is to build a strong branding of the ASEAN region as a single tourism destination over a sustained period beyond 2002. This new approach will build upon the unique strengths and diversities, as well as the strong unity and complementation of the individual member countries under a single ASEAN brand.

The *Visit ASEAN* campaign will be officially launched during ATF 2001 in Brunei Darussalam, with the commencement of the campaign from 2002 onwards.

Liberalization of Trade in the Tourism Services Sector

To further enhance intra-ASEAN cooperation in the tourism sector and in line with the decision of the 3rd ASEAN Economic Ministers Meeting, the Ministers agreed that member countries will expand existing areas of cooperation through a more liberal policy environment in the ASEAN tourism services sector. In this connection, the Ministers created a special ASEAN NTOs task force, with Thailand as country coordinator, to step up negotiations to liberalize trade in tourism services, with the view to formulating an ASEAN package of commitments providing preferential incentives and facilitation support measures, among others.

Status of Implementation of the Hanoi Plan of Action/Plan of Action on ASEAN Cooperation in Tourism

The Ministers expressed satisfaction with the following accomplishments since their last meeting in Singapore January 1999:

- (a) Compilation and analysis of the results of TAT's multi-sectoral survey on the Facilitation of Intra-ASEAN Travel which recommended, among others, the promotion of intra-ASEAN travel and the forging of a strong partnership and dialogue with the related sectors such as ASEAN transport, immigration, finance, customs and other authorities.
- (b) Participation of ASEAN NTOs in the Joint ASEAN Investment Promotion Missions in Japan, the United States and Europe. The ASEAN Tourism Investment Guide will also

be made available through the ASEAN Secretariat Website:

- (c) Completion of the Kangwon-do International Travel Exposition held on 11 September – 30 October 1999 in the Republic of Korea, which attracted some 2 million visitors to the ASEAN Pavilion. A new project – the Two-Day Workshop on ASEAN and Korean Tourism for Korean and ASEAN Travel Agents – will be implemented this year. These two projects are under the auspices of the ASEAN – Republic of Korea Cooperation;
- (d) Ongoing cooperation with ASEAN Senior Transport Officials Meeting (STOM) on cruise tourism development, regular exchange of data on cruise industry and joint marketing and promotion;
- (e) Establishment of ASEAN Lanes in Bali, Bangkok, Yangon, Ha Noi, Ho Chi Minh City and Kuala Lumpur. All ASEAN countries will have this special lane to support the *Visit ASEAN* campaign, through the complementary efforts of the ASEAN Directors-General of Immigration and Heads of Consular Division of ASEAN Ministries of Foreign Affairs; and
- (f) Publication of the ASEAN Map, which provides general information on the major tourism destinations of all ten ASEAN member countries, and the decision to publish the Eco-Tourism Handbook.

Exchange of Information on the Negative Social Aspects of Tourism

The Ministers agreed to exchange of information on the negative social activities such as child prostitution, paedophilia, human smuggling and drug trafficking, etc, as these activities damage ASEAN's image as a single tourism destination. The Ministers also agreed that this task will be undertaken through the ASEAN Communications Team on Tourism (ACTT).

Role of Tourism in ASEAN's Sustained Economic Growth

The Ministers exchanged views on the role of tourism in sustained economic growth and agreed that enhancing investment in tourism facilities, the removal of barriers to tourism and complementary marketing programs for ASEAN tourism are important areas of cooperation. Among others, the Ministers agreed to exchange experiences and cooperate in the promotion of domestic tourism and to explore ways and means to further promote the growth of intra-ASEAN travel in a more focussed and urgent manner. The Ministers identified that relaxation of visa requirements, the promotion and development of cruise tourism, air services liberalization, strong ASEAN presence in major travel marts are among the important areas to be further looked into by the ASEAN NTOs and the ASEAN relevant coordinating bodies.

The Ministers noted that ATF 2000 with the theme "*Towards Seamless Intra-ASEAN Travel*" has attracted a total of 1,500 ASEAN tourism and travel executives, government officials, buyers and sellers from 40 countries.

The Fourth Meeting of ASEAN Tourism Ministers will be held in Bandar Seri Begawan, Brunei Darussalam on 21 January 2001, during ATF 2001 to be held on 18 – 24 January 2001, with "*ASEAN: Pinnacle of Tourism Excellence*" as the theme".

LIST OF ASEAN TOURISM MINISTERS IN ATTENDANCE

- a. H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei Darussalam;
- b. H.E. Mr Veng Sereyvuth, Minister of Tourism, Cambodia;
- c. Mr. I Gede Ardika, Director – General of Tourism on behalf of H.E. Mr. Hidayat Djaelani, State Minister of Tourism and Arts, Indonesia;
- d. H.E. Mr Cheng Sayavong, Vice-Minister of Commerce & Tourism and Chairman of National Tourism Authority of Lao PDR, Lao PDR;
- e. H.E. Dato' Abdul Kadir Bin Haji Sheikh Fadzir, Minister of Culture, Arts and Tourism, Malaysia;
- f. H.E. Major General Saw Lwin, Minister of Hotels and Tourism, Myanmar;
- g. H.E. Ms Gemma Cruz-Araneta, Minister of Tourism, Philippines;
- h. H.E. Mr Lim Swee Say, Minister of State for Trade and Industry, Singapore;
- i. H.E. Mrs. Pavana Hongsakula, Minister to the Prime Minister's Office and Chairperson of Tourism Authority of Thailand
- j. H.E. Dr Nguyen Phu Duc, Vice Chairman of Vietnam National Administration of Tourism, Vietnam; and
- k. H.E. Mr Rodolfo C. Severino, Jr., ASEAN Secretary-General.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 13



Agenda Item 8.2

HIGHLIGHTS OF REPORT OF THE SECOND ASEAN SENIOR OFFICIALS MEETING ON MINERALS (ASOMM) 30 – 31 March 2000, Ha Noi, Viet Nam

The Meeting was attended by delegates from all ASEAN Member Countries and staff members of the ASEAN Secretariat and chaired by Dr. Do Huu Hao of Viet Nam. Mr. Michael M. Ng of Brunei Darussalam was elected as the Vice-Chairman. His Excellency Mr. Do Hai Dung, Vice-Minister of Industry of Vietnam officially opened the Meeting.

2. The main agenda items discussed were country statements, progress of cooperation activities, and programme of action on regional cooperation in minerals for 2001-2005.

3. In the country statements, Member Countries exchanged information on the status of their respective mineral sectors and the involvement of the private sector in mining enterprises, trade and investment. In addition, Member Countries agreed on the need for a clear vision and mission to guide regional pursuit of common interest in the mineral sector. There were also calls to counteract the smear campaigns by non-governmental organizations against the mining sector in order to avert further destruction to the region's mineral industries; to address the social and environmental issues resulting from abandoned and closed mines; to set standards on the nomenclature of mineral resources and ore reserves to facilitate communication among businessmen and governments, hence improving climate for investments; and to assess existing national generic terminologies and definitions of ore reserves. The private sector companies involved in mining operations would also be encouraged to play active roles in addressing issues of environmental concerns related to their mining activities.

4. The Meeting considered the progress of the following activities that were agreed to at the First ASOMM in October 1996:

- (i) Development of a database on mineral resources, supply, demand, and trade of ASEAN Member Countries;
- (ii) Exchange of information on mineral and environmental legislation; and
- (iii) Establishment of a directory of R&D and training facilities, expertise and investment opportunities in ASEAN Member Countries.

5. The proposed ASEAN Industrial Minerals Information System (AIMIS) would contain security features that could protect such information, and that the System should take the form of a distributed database with a common agreed format and be kept in each Member Country. In view of the constraints in sourcing funding support to engage a consultant to develop the AIMIS, Member Countries will proceed with the activity, utilizing their own resources and expertise, and to explore the possibility to convene a workshop to kick-start the AIMIS implementation.

6. On the Establishment of a Directory of R&D and Training Facilities, Expertise and Investment Opportunities in ASEAN Member Countries, Member Countries will submit their information on minerals R&D and training facilities to the ASEAN Secretariat as soon as possible.

7. With regard to the training needs, it was noted that the following training needs were common in the mineral sector of the majority of Member Countries:

- (i) Maximizing exploitation of mineral reserves;
- (ii) Sustainable management of the mineral resources;
- (iii) Enhancement of technical skill in database management system, international geological data standards;
- (iv) Skill upgrading on economics of mining operation;
- (v) Technical know-how on modern methods of mineral prospecting exploration and mine design using remote sensing and computerized ore reserve modeling techniques;
- (vi) Know-how on vital energy minerals, research methods and related new technologies in processing and utilization of mineral raw materials, especially in the area of clean coal technology; and
- (vii) Knowledge on internationally recognized standards and procedures for environmental assessment and monitoring techniques.

8. The ASEAN Secretariat would compile all the training needs and the type of training that Member Countries could offer to other members. Member Countries would also inform the others on any information which are on-line that could be accessed. The ASEAN Secretariat would also facilitate the coordination of the implementation of training activities among ASEAN Member Countries as well as would seek the assistance of non-ASEAN/international organizations in satisfying the training needs of ASEAN Member Countries in the mineral sector.

9. A Programme of Action on ASEAN Cooperation in Minerals for 2001-2005 will be formulated. The focus of cooperation will be on: (i) Establishment of the Industrial Minerals Database among ASEAN Countries; (ii) Training; (iii) Trade and Investment in Minerals and Mineral products; and (iv) Mineral Management Improvement and Environment-friendly Mining. An Ad-hoc Task Force will be set-up under the coordination of Vietnam and the ASEAN Secretariat to formulate the Programme of Action. The Task Force will also prepare a "Vision Statement" on ASEAN cooperation in the mineral sector; revise the terms of reference (TOR) and the rules of procedure (ROP) for ASOMM; and prepare a public awareness programme to educate the ASEAN public on the importance of the mining industry to economic development of a country and that there were ways by which to conduct the mining activities sustainably.

10. The Third Meeting of ASOMM would be in March 2001 in Brunei Darussalam.

REPORT OF THE SECOND ASEAN SENIOR OFFICIALS MEETING ON MINERALS (ASOMM)

30 – 31 March 2000, Hanoi

INTRODUCTION

The Second ASEAN Senior Officials Meeting on Minerals (ASOMM) was held on 30-31 March 2000 in Hanoi.

2. The Meeting was attended by Mr. Michael M. Ng, Head of Construction Planning and Research, Ministry of Development, Brunei Darussalam; Mr. Khun Panhasith, Director, Department of Mineral Resource Development, Ministry of Industry, Mines and Energy, Cambodia; Mr. Nursaleh Adiwinata, Director, Mineral Technology Research and Development Centre (MTRDC), Department of Mines and Energy, Indonesia; Mr. Bounthueng Phengthavongsa, Director General, Department of Geology and Mines, Lao PDR; Mr. Balasubramanian Nataraja, Under-Secretary, Minerals Industry Development Division, Ministry of Primary Industries, Malaysia; Mr. U Soe Mra, Director-General, Department of Mines, Ministry of Mines, Myanmar; Mr. Pedro C. Caeon, Assistant Secretary, Department of Environment and Natural Resources, the Philippines; Mr. Low Chin Min, Director, Business Development Division, Building and Construction Authority, Singapore; Mr. Somsak Potisat, Director of Economic Geology Division, Department of Mineral Resources, Thailand; and Dr. Do Huu Hao, Director-General, Institute for Industry Policy and Strategy, Ministry of Industry, Vietnam and their delegations. Dr. Ir. Azmi Mat Akhir, Director, Bureau of Economic and Functional Cooperation, ASEAN Secretariat and his staff members were also present. The List of delegates appears as **ANNEX 1**.

OPENING SESSION

3. His Excellency Dr. Do Hai Dung, Vice-Minister of Industry of Vietnam, welcomed the delegates and officially opened the Meeting. In his welcome speech, he expressed regrets that ASEAN was unable to implement the Programme of Action on ASEAN Cooperation in Minerals for 1996-1998, which was agreed at the First ASOMM in October 1996 in Bali, Indonesia, due to the financial crisis that beset the majority of ASEAN countries in 1997-1998. Nevertheless, he was pleased that the continued efforts of all Member Countries and the ASEAN Secretariat to ensure progress in cooperation in the minerals sector had made possible the organization of the Second ASOMM in Hanoi. The full text of his speech appears as **ANNEX 2**.

CLOSED SESSION

4. Mr. Nursaleh Adiwinata from Indonesia, as the designee of the out-going Chairman, welcomed the delegates to the Meeting and called for the election of the Chairman and Vice-Chairman of ASOMM for the period 2000-2001.

Agenda Item 1: ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

5. Dr. Do Huu Hao, Head of delegation of Vietnam and Mr. Michael M. Ng, Head of delegation of Brunei Darussalam were elected as the Chairman and Vice-Chairman of the ASOMM, respectively, for the period 2000-2001.

Agenda Item 2: ADOPTION OF THE AGENDA

6. The Meeting adopted the agenda which appears as **ANNEX 3**.

Agenda Item 3: BUSINESS ARRANGEMENTS

7. The Meeting was held in plenary.

Agenda Item 4: COUNTRY STATEMENTS

8. Member Countries exchanged information on the status of their respective national mineral sector.

(a) Brunei Darussalam

9. The Meeting took note of the Country Statement from Brunei Darussalam which appears as **ANNEX 4**.

10. Brunei Darussalam is not an exporter of mineral products. The country produces gravel, sand and kaolin for its own domestic use. Demands for other mineral products are satisfied through imports. There is a growing national concern on the effects of gravel and sand extraction operations on the state of the environment.

(b) Cambodia

11. The Meeting took note of the Country Statement from Cambodia which appears as **ANNEX 5**.

12. The mineral sector has been a major source of raw materials for the mineral-based industries in Cambodia. The country has a considerable potential in gold, gemstones, silica sand, limestone, phosphate rock, and construction materials. However, the development of the mineral resources is still below its geological potential due to financial constraints and lack of qualified personnel and technology. The government, through its Ministry of Industry, is undertaking steps towards enhancing the development of the country's minerals industry.

(c) Indonesia

13. The Meeting took note of the Country Statement from Indonesia which appears as **ANNEX 6**.

14. Production of minerals and coal in Indonesia during the past two years has grown steadily despite the economic crisis faced by the country. This was due to supportive international markets as well as continued domestic demands. Indonesia expressed its hope that ASEAN cooperation in the mineral sector could be further invigorated through enhanced intra-ASEAN trade in minerals and their products. The establishment of an ASEAN minerals database would be an appropriate step towards this direction.

(d) Lao PDR

15. The Meeting took note of the Country Statement from Lao PDR which appears as **ANNEX 7**.

16. Mineral exploration in Lao PDR has been focused on gold, tin, sapphires and evaporates. Deposits of valuable minerals, which include gold, copper, gypsum, coal, iron ore, lead, zinc, limestone, manganese, tin and bauxite have been found, but justification of commercial scale exploitation is yet to be ascertained. Presently, commercial mining activities are restricted to tin, gypsum, limestone for cement production, coal and, to a minor extent, barite.

(e) Malaysia

17. The Meeting took note of the Country Statement from Malaysia which appears as **ANNEX 8**. The Country Statement recalled the agreements arrived at the First Meeting of ASOMM in October 1996 in Bali, Indonesia on the terms of reference of ASOMM and on the general objectives and the programme of action of the ASEAN cooperation on minerals. Malaysia expressed its hope that ASOMM would lead ASEAN cooperation on minerals into a healthy, collaborative and cooperative development of the mineral industry in the region, and Malaysia, on her part, would contribute wherever possible any assistance for ASOMM to achieve the objectives set out so that all Member Countries could mutually benefit from these achievements.

(f) Myanmar

18. The Meeting took note of the Country Statement from Myanmar which appears as **ANNEX 9**. Myanmar is rich in mineral resources but a lot of these resources is yet to be explored and exploited. The Government of Myanmar has been encouraging private sector participation in the mineral sector and there has been positive results over the last few years.

(g) The Philippines

20. The Meeting took note of the Country Statement from the Philippines which appears as **ANNEX 10**.

21. The Country Statement called for ASEAN's attention on the impacts of major events related to the financial crisis, globalization in trade and investment, environmental issues, and the increasing role of communities in mining development which had changed the scenario of business in mining. The emergence of new constraints in project development, especially the rising cost, had also posed a new challenge facing ASEAN in the mineral sector.

22. The Philippines suggested for ASEAN to have a clear "Vision and Mission" statements to guide regional pursuit of common interest. It urged Member Countries to put to work the cooperation activities that had been agreed to at the First ASOMMM, namely the establishment of the ASEAN minerals database, the development of the inventory of mineral experts and R&D works, and exchange of information on the mineral sector.

23. The Philippines also called for a joint effort in the following:

- i. to counteract the smear campaigns by non-governmental organizations against the mining sector in order to avert further destruction to the region's mineral industries. ASEAN needed to seek ways to explain scientifically to the various sectors of the public on the importance of the mining sector.
- ii. to address the social and environmental issues resulting from abandoned and closed mines.
- iii. to set standards on the nomenclature of mineral resources and ore reserves to facilitate communication among businessmen and governments, hence improving climate for investments.
- iv. to assess existing national generic terminologies and definitions of ore reserves.

(h) Singapore

24. The Meeting took note of the Country Statement from Singapore which appears as **ANNEX 11**.

25. Granite quarrying is the only mining operation in Singapore and contributes only 0.1% of the entire national economy. Even this activity will be phased out by the end of the year. The country imports most of its minerals needs, either in the raw or processed forms.

26. In view of its interest in identifying the sources of key minerals in the region and its keenness to establish closer contact with public sector counterparts in other Member Countries to enable greater exchange of information on availability and demands for mineral resources, Singapore expressed its support ASEAN's effort to strengthen economic cooperation in minerals.

(i) Thailand

27. The Meeting took note of the Country Statement from Thailand which appears as **ANNEX 12**.

28. Although the contribution of the mineral sector to the GDP of Thailand is negligible, the sector has been the main foundation of industrialization existing in the country today. Thailand produces more than 40 kinds of minerals, valued at 22,000 million Baht in 1999 and 80% of which was industrial minerals used as raw materials in domestic industries. In terms of value, lignite, limestone and gypsum constitute the major minerals produced. Lignite and limestone are mainly for domestic cement production, while gypsum is for export.

29. Thailand will implement a Mineral Exploration Project over the next 7 years, the completion of which is expected to provide knowledge of the mineral potential of the country. This would help Thailand to manage its minerals resources efficiently and in a sustainable manner. Cooperation and coordination among concerned government agencies are also being promoted to overcome land-use conflicts related to mineral development.

30. Thailand is of the view that the enhancement of cooperation in the minerals industry in the region would strengthen ASEAN competitive edge in the world market.

(j) Viet Nam

31. The Meeting took note of the Country Statement from Vietnam which appears as **ANNEX 13**.

32. The history of development of the mineral sector in Vietnam dates back to 1898, and the country is endowed with nearly 60 different kinds of minerals such as coal, iron, phosphate, copper, nickel, tin, lead, zinc, manganese, ilmenite, pyrite, bauxite, graphite, pyrophyllite, diatomite, bentonite, gemstones, and rare earth elements, as well as many kinds of construction materials and oil and gas. However, most existing mining operations in Vietnam are still on small-scale compared to its vast mineral potential. With regard to geological database, Vietnam is working on digitizing its geological data.

33. Vietnam hoped that ASEAN Member Countries would be able forge closer cooperation in the minerals sector in the following areas:

- (i) Establishment of an ASEAN industrial minerals database;
- (ii) Human resource training to carry out the establishment of database for Member Countries and technical training;
- (iii) Trade and exchange in industrial mineral materials;
- (iv) Improvement of minerals management in the region; and
- (v) Observance of environment-friendly mining.

Agenda Item 5: CONSIDERATION OF COOPERATION ACTIVITIES

34. The Meeting also recalled that the First ASOMM had agreed to first implement the following activities before undertaking more substantive activities to realize the objectives of the Programme of Action for ASEAN Cooperation in Minerals approved by the Fifth ASEAN Summit in December 1995:

- (i) Development of a database on mineral resources, supply, demand, and trade of ASEAN Member Countries;
- (ii) Exchange of information on mineral and environmental legislation; and
- (iii) Establishment of a directory of R&D and training facilities, expertise and investment opportunities in ASEAN Member Countries.

It was of the view that the successful completion of these activities would provide a sound foundation for subsequent activities or projects.

5.1 Establishment of ASEAN Minerals Database

35. The Meeting took note of the Information Paper from the ASEAN Secretariat and the Report of the Chairman (Indonesia) of the Technical Working Group on the Establishment of ASEAN Minerals Database which appear as **ANNEX 14** and **15**, respectively. The Report of the Meeting of the Technical Working Group on the Establishment of ASEAN Minerals Database, which was held on 20-21 February 1997 in Jakarta appears as **ANNEX 16**. The Technical Working Group Meeting was held as a follow-up to the decision of the First ASOMM.

36. The Meeting considered and adopted the Report of the Meeting of the Technical Working Group on the Establishment of ASEAN Minerals Database. The Meeting agreed to the views of the Technical Working Group that the proposed ASEAN Industrial Minerals Information System (AIMIS) should contain security features that could protect such information, and that the System should take the form of a distributed database with a common agreed format and be kept in each Member Country.

37. In view of the constraints in sourcing funding support to engage a consultant to develop the AIMIS, the Meeting agreed that ASEAN Member Countries should proceed with the activity utilizing their own resources and expertise. Towards this end, Indonesia, as the lead country in the implementation of the activity, proposed a format for the establishment of the database for the consideration of Member Countries. The Meeting agreed to Indonesia's suggestion that Member Countries update their focal points for the AIMIS database, enhance the exchange of information on minerals as inputs to update the database, and explore the possibilities to convene a workshop for AIMIS implementation.

5.2 Establishment of a Directory of R&D and Training Facilities, Expertise and Investment Opportunities in ASEAN Member Countries

38. The Meeting recalled the decision of the First ASOMM that the ASEAN Secretariat was requested to serve as the focal point in establishing the Directory of R&D Training Facilities, Expertise and Investment Opportunities in ASEAN Member Countries, and, as a start, Member Countries were to submit information on their R&D and training facilities to the ASEAN Secretariat. In this regard, the Meeting was informed that only responses from Indonesia and Vietnam had been received.

39. To proceed with the activity, the Meeting agreed that other Member Countries should submit their information on minerals R&D and training facilities to the ASEAN Secretariat as soon as possible. Brunei Darussalam, Indonesia, Myanmar, and the Philippines submitted their information which appear as

ANNEXES 17, 18, 19 and 20, respectively. Cambodia, Lao PDR Malaysia and Thailand informed the Meeting verbally on the status of their R&D and training facilities and would submit a written comprehensive information in due course. Brunei Darussalam and Singapore informed the Meeting that, as they do not engage in major mining activities, their R&D and training activities on mining is negligible.

5.3 Training Needs of the Mineral Sector in ASEAN Member Countries

40. The Meeting noted the training needs of the respective national mineral sector as presented by Member Countries, except for Singapore in which mining activities are confined to quarrying operations in one quarry to be closed by end of the year. Information papers on the training needs for Brunei Darussalam, Indonesia, Myanmar, the Philippines, Thailand, and Vietnam appear as **ANNEXES 21, 22, 23, 24 25 and 26**, respectively.

41. The Meeting further noted that the following training needs were common among the majority of Member Countries:

- i. Maximizing exploitation of mineral resources;
- ii. Sustainable management of the mineral resources;
- iii. Enhancement of technical skill in database management;
- iv. Skill upgrading on economics of mining operation;
- v. Technical know-how on modern methods of mineral prospecting exploration and mine design using remote sensing and computerized ore reserve modeling techniques;
- vi. Knowledge on important energy minerals as well as know-how on minerals research methods and related new technologies in processing and utilization of mineral raw materials, especially in the area of clean coal technology; and
- vii. Knowledge on internationally recognized standards and procedures for environmental assessment and monitoring techniques.

42. The Meeting agreed that the ASEAN Secretariat would compile all the training needs expressed by Member Countries. In this regard, Member Countries were requested to submit the details of their training needs to the ASEAN Secretariat as soon as possible for compilation.

43. Recognizing that some Member Countries also possess expertise and good training capabilities in certain aspects of the mineral sector, the Meeting also requested these countries to inform the ASEAN Secretariat on the type of training that they could offer to other Member Countries. At the same time, Member Countries would also inform the others on any information which are on-line that could be accessed. Malaysia informed the Meeting that it has the expertise in groundwater resource development and good laboratory facilities for analysis of geological materials and minerals which it could offer to other Member Countries in terms of training. Other relevant information are also available on the internet in the homepage of the Malaysian Science and Technology Information Centre (MASTIC). Malaysia was also requested to share its experiences in the rehabilitation of mining lands for other development purposes.

44. The ASEAN Secretariat would also facilitate the coordination of the implementation of training activities among ASEAN Member Countries as well as would seek the assistance of non-ASEAN/international organizations in satisfying the training needs of ASEAN Member Countries in the mineral sector.

Agenda Item 6: INVOLVEMENT OF PRIVATE SECTOR IN TRADE AND INVESTMENT IN MINERALS

45. The Meeting noted the information on the involvement of the respective national private sector in trade and investment in minerals as presented by Member Countries. The information papers from Member Countries appears as ANNEX 27 (Brunei Darussalam), ANNEX 28 (Indonesia), ANNEX 29 (Malaysia), ANNEX 30 (Myanmar), ANNEX 31 (the Philippines), and ANNEX 32 (Thailand). Information from other Member Countries appears in their respective Country Statements.

46. The Meeting agreed that, while helping in the development of the mineral industry, the private sector companies involved in mining operations should also be encouraged to play active roles in addressing issues of environmental concerns related to their mining activities.

Agenda Item 7: PROGRAMME OF ACTION ON ASEAN COOPERATION IN MINERALS

47. The Meeting considered and discussed ideas for the Programme of Action on ASEAN Cooperation in Minerals for the period 2000-2003 proposed by Vietnam which appears ANNEX 33.

48. The Meeting noted that the proposed Programme of Action centers on the activities that were agreed to earlier at the First ASOMM, namely (i) Development of an Industrial Minerals Database among ASEAN Countries; (ii)

Training; (iii) Trade and Investment, and (iv) Mineral management improvement and environment-friendly mining. The proposal outlined the work plan over the coming three years (2000, 2001 and 2002) to realize the development of the minerals database and the training needs in minerals.

49. The Meeting agreed to establish an Ad-hoc Task Force to formulate the Programme of Action on ASEAN Cooperation in Minerals for the period 2001-2005, taking into consideration the proposal by Vietnam. The Task Force would also prepare a "Vision Statement" on ASEAN cooperation in the mineral sector and revised the terms of reference (TOR) and the rules of procedure (ROP) for ASOMM. Vietnam would coordinate the establishment of the Task Force in close cooperation with the ASEAN Secretariat, and Member Countries were requested to nominate their representatives to the Task Force to the ASEAN Secretariat and Vietnam. The ASEAN Secretariat would organize the meeting of the Task Force before the next meeting of ASOMM.

50. The Meeting recognized the fact that environmental concerns relating to the mining industry were mounting and agreed that a public awareness programme be formulated and implemented by ASEAN Member Countries to educate the public on the importance of the mining industry to economic development of a country and that there were ways by which to conduct the mining activities sustainably. In this connection, the Meeting agreed that the Task Force would also formulate this public awareness programme for the consideration of ASOMM.

Agenda Item 8: OTHER MATTERS

8.1 Tenure of Chairmanship of ASOMM

51. In view of the fact that ASEAN now has ten Member Countries, the Meeting agreed that the tenure of chairmanship of ASOMM would be one year, and would be rotated among ASEAN Member Countries in alphabetical order. It was also agreed that the Chair Country would also host future meetings of ASOMM. The terms of reference (TOR) of the ASOMM would be amended accordingly to this effect.

8.2 ASEAN Ministerial Forum on Minerals

52. The Meeting discussed on the possibility of having a ministerial forum on the minerals sector to provide policy guidance and directions to ASEAN cooperation in the sector. Malaysia, Myanmar and the Philippines agreed with the suggestion that in view of the need to have more focus on the mineral sector, it would be appropriate to have an ASEAN ministerial forum on minerals. The Meeting agreed that Member Countries first consult their respective ministries on the matter.

8.3 Conference and Exhibition on Minerals

53. The Meeting was informed of the following events which would take place in 2000:

- i. Mining Indonesia 2000 : "Mining Challenges into the 3rd Millennium" - 5 & 7 April 2000, Jakarta;
- ii. The 9th International Mining and Minerals Recovery Exhibition - 5 – 8 April 2000, Jakarta
- iii. Coaltrans Asia 2000 Conference – 18-21 June 2000, Bali, Indonesia; and
- iv. The Asia-Pacific Mining and Quarrying Conference 2000: "Minerals – The Key to Sustainable Industrial Development". - 16-19 November 2000, Kuala Lumpur.

54. Member Countries were invited to participate in the Conferences and the Exhibitions. Brochures on the Conferences and Exhibitions were distributed to the delegates for information.

Agenda Item 9: DATE AND VENUE OF NEXT MEETING

55. The Meeting agreed that the Third ASEAN Senior Officials Meeting on Minerals (ASOMM-3) would be held in March 2001 in Brunei Darussalam, subject to approval and confirmation.

Agenda Item 10: ADOPTION OF THE REPORT

56. The Meeting considered and adopted the Report of the Second ASEAN Senior Officials Meeting on Minerals held on 30-31 March 2000 in Hanoi.

ACKNOWLEDGEMENT

57. The delegates from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, and Thailand expressed their appreciation to the Government of the Socialist Republic of Vietnam and its people for the warm hospitality and excellent arrangements made for the Meeting. The Meeting also thanked the ASEAN Secretariat for the assistance rendered.

58. The Meeting was held in the traditional spirit of ASEAN cooperation and cordiality.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 14



Agenda Item 8.3

HIGHLIGHTS OF THE SPECIAL SENIOR OFFICIALS MEETING ON ENERGY (SOME)

Introduction

1. The Special Senior Officials Meeting on Energy (SOME) was held on 11 March 2000 in Jakarta, Indonesia during the occasion of the first anniversary celebration of the ASEAN Centre for Energy (ACE).
2. The following were the main issues discussed:
 - a. *EC- ASEAN Energy Cooperation Program; and*
 - b. *SOME – MITI Consultations on Energy.*

Highlights for SEOM's Notation

a. EC – ASEAN Energy Cooperation Program

3. The Special SOME considered and endorsed the revised technical and administrative provisions for the EC-ASEAN Energy Cooperation Programme, for submission to the European Commission (EC) for further action. The ASEAN Secretary – General would be the signatory of the Financing Agreement on behalf of SOME.
4. The EC-ASEAN Energy Cooperation Programme will be made available for co-financing some 50 to 60 ASEAN and EU energy projects over a five-year period in joint activities covering increasing market awareness, adopting institutional frameworks, conducting feasibility studies and implementing full-scale demonstration projects. The EC has allocated funding assistance of Euro 18 million.

b. SOME – MITI Consultations on Energy

5. A preparatory meeting between the SOE Leaders and MITI (Japan) representatives was held on 10 March 2000. Both sides agreed in principle that the modality for consultations would consist of two components, i.e., Policy Dialogue and Project Cooperation. Both sides also agreed to embark cooperation activities in the development of Electricity Infrastructure, use of Natural Gas, promoting Energy Efficiency and Conservation, use of Renewable Energy and sharing of information on energy balances including Oil Security.
6. The First SOME – MITI Consultations on Energy will be held on 30 June 2000 in Ha Noi, back-to-back with the SOME / 18th AMEM. On the ASEAN side, the secretariat for the Consultations will be the ASEAN Secretariat in cooperation with the ASEAN Centre for Energy (ACE).

c. Others

7. The Special SOME agreed to pursue cooperation with the Middle East Organizations like the Gulf Cooperation Council (GCC) and the Economic Cooperation Organization (ECO), with the initial modality on a secretariat-to-secretariat basis. The ASEAN Secretariat, in cooperation with ACE, will explore possible areas of mutual cooperation in energy with the GCC and ECO regional secretariats.

SEOM MAY WISH TO NOTE THE ABOVE DEVELOPMENTS.

Attachment

- (a) Report of the Special Senior Officials Meeting on Energy (SOME), 11 March 2000, Jakarta, Indonesia



REPORT OF THE SPECIAL SENIOR OFFICIALS MEETING ON ENERGY (Special SOME)

11 March 2000, Jakarta, Indonesia

INTRODUCTION

1. The Special Senior Officials Meeting on Energy (SOME) was held on 11 March 2000 in Jakarta, Indonesia, on the occasion of the first anniversary celebration of the ASEAN Centre for Energy. Dr. Piyasvasti Amranand, SOE Leader of Thailand, chaired the Meeting.
2. The Meeting was attended by delegates from Brunei Darussalam, Indonesia, Lao PDR, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. Representatives of the ASEAN Secretariat and the ASEAN Centre for Energy (ACE) were in attendance.
3. The list of delegates appears as **ANNEX A**.

AGENDA ITEM 1 : OPENING REMARKS BY THE SOME CHAIRPERSON

4. In his Opening Remarks, Dr. Piyasvasti Amranand welcomed the delegations to the Special SOME and to Jakarta.
5. Dr. Piyasvasti expressed that with the current difficult and constrained energy situations worldwide, ASEAN member countries will have to hold firmly together in tackling the obstacles and hindrances to achieve common benefits relating to energy supply and demand for the well being of the ASEAN region and its peoples. In this regard, he highlighted the importance of the Agenda of the Special SOME to look into cooperation with the European Commission and MITI of Japan, among others. He also cited other concerns to be discussed like cooperation with the Greater Mekong Subregion integrated transmission plan, Charter for ASEAN Forum on Energy Efficiency and Conservation and the proposed cooperation with the Middle East organizations.
6. The full text of his Opening Remarks appears as **ANNEX B**.

AGENDA ITEM 2 : CONSIDERATION AND ADOPTION OF THE AGENDA

7. The Meeting considered and adopted the Agenda, which appears as **ANNEX C**.

AGENDA ITEM 3 : REVIEW OF ACTIONS ARISING FROM DECISIONS OF THE 17th AMEM

8. The Meeting considered the Report of the Executive Director of ACE on the relevant actions arising from decisions of the 17th AMEM, which appears as **ANNEX D**.

9. The Meeting noted that the ACE proposal on the possible review of the ASEAN Petroleum Security Agreement (APSA) will be studied by the Philippine ASCOPE National Committee who will also submit a working paper at the next ASCOPE National Committees Meeting in Jakarta to be held on 24 – 25 April 2000. On the ASEAN Power Pool, the Meeting noted that ACE submitted a proposal to the European Commission for a Technical Visit on Power Pooling in Europe for the Greater Mekong Subregion / ASEAN Power Interconnection Programme.

10. The Meeting noted HAPUA's need to explore funding for undertaking the feasibility study for the ASEAN Power Grid Masterplan provided for under HAPUA's work program under the ASEAN Plan of Action for Energy Cooperation 1999 – 2004.

AGENDA ITEM 4 : DRAFT TECHNICAL AND ADMINISTRATIVE PROVISIONS FOR THE EC-ASEAN ENERGY COOPERATION PROGRAMME

11. The Meeting considered and endorsed the revised (Draft – 4 February 2000) technical and administrative provisions for the EC-ASEAN Energy Cooperation Programme, which appears as ANNEX E and agreed to submit this document, for further action by the European Commission.

12. The Meeting also agreed that the signatory of the Financing Agreement on behalf of SOME would be the Secretary-General of ASEAN. The ASEAN Secretariat will circulate the draft of the Financing Agreement on ad referendum approval basis, before signature.

13. The Meeting noted the Programme's co-financing modality includes possible contributions in kind and in cash from prospective ASEAN project proponents and co-sponsors. In this regard, the Meeting pointed out, however, that it would not be possible to expect co-financing from the ASEAN Energy Endowment Fund if it would entail use of its principal or increasing contribution from the member countries.

AGENDA ITEM 5 : SUMMARY RECORD OF THE PREPARATORY MEETING FOR THE FIRST SOME-MITI CONSULTATIONS ON ENERGY

14. The Meeting considered and adopted the Summary Record of the Preparatory Meeting of First SOME-MITI Consultations on Energy, which appears as ANNEX F. In this regard, the Meeting requested the ASEAN Secretariat to forward the Summary Record to MITI for their endorsement. The Meeting also requested the ASEAN Secretariat to finalize the Agenda for the first SOME – MITI Consultations on Energy, in consultation with their Japanese counterparts.

15. The Meeting also agreed that the first consultations would be held on 30 June 2000 in Ha Noi, back-to-back with the SOME/18th AMEM. The Meeting further agreed to request the SOE Leader of Viet Nam, as the incoming chairperson, to extend the official invitation to MITI, on behalf of SOME.

AGENDA ITEM 6 : OTHER MATTERS

6.1 Cooperation with the Greater Mekong Subregion (GMS) Integrated Transmission Plan

16. The Meeting noted ACE's proposal for a Technical Visit on Power Pooling in Europe for the GMS/ASEAN Power Interconnection Programme which was submitted for possible funding support of the European Commission, which appears as **ANNEX G**. The Meeting requested ACE to ensure that all ASEAN member countries are participating in its eventual implementation. The Meeting also requested ACE to provide a progress report in the next SOME in Ha Noi.

6.2 Agenda for SOME/18th AMEM

17. The Philippines proposed for the conduct of a regional workshop on issues related to the United Nations Framework Convention on Climate Change (UNFCCC). The Meeting agreed that it be included in the Agenda of the SOME/18th AMEM. The Philippines would brief the SOME on the proposed workshop during the SOME/18th AMEM in Ha Noi.

18. The Meeting considered and adopted the revised Provisional / Annotated Agenda for the SOME/18th AMEM, which appears as **ANNEX H**, to be held in Ha Noi, Viet Nam on 1 - 3 July 2000.

6.3 Charter of ASEAN Forum of Energy Efficiency and Conservation (AFEEC)

19. In line with the decision of the SOME of the 17th AMEM on the establishment of the ASEAN Forum on Energy Efficiency and Conservation (AFEEC), the Meeting noted that some member countries have already submitted their views and recommendations on the detailed proposal and the Charter of AFEEC, which appears as **ANNEX I**. In this regard, the Meeting requested member countries that have not done so to submit their views and recommendations in time for the next EE&C-SSN meeting to be held on 25-26 May 2000 in Singapore.

20. The Meeting also noted the offer of Indonesia to be the temporary secretariat in the finalization of the pertinent preparatory arrangements of AFEEC, i.e., preparation of program of activities, budget plan, among others. In noting that Thailand would also wish to continue coordinating ASEAN EE&C activities and be the permanent secretariat of AFEEC when the EE&C SSN is converted to AFEEC, the Meeting requested both Indonesia and Thailand to jointly develop the said requirements, for submission in the EE&C meeting in May 2000 in Singapore.

6.4 Proposed ASEAN Cooperation in Energy with Middle East Organizations (i.e. Gulf Cooperation Council and Economic Cooperation Organization)

21. The Meeting was briefed by the ASEAN Secretariat on the consultations of the ASEAN-Secretary-General with H.E. Mr. Gobarah Al-Suraisry, Vice-Minister of Finance and National Economy of Saudi Arabia, in his capacity as Coordinator-General of the Gulf Cooperation Council (GCC) and H.E. Dr. Kamal Kharrazi, Foreign Minister of Iran held on 16 February 2000 and 17 February 2000, respectively. In these consultations, the Meeting noted that both Ministers expressed desire to deepen cooperation and collaboration between ASEAN and their respective regional organizations, i.e., GCC and the Economic Cooperation Organization (ECO).

22. The Meeting agreed that the initial modality be undertaken on secretariat - to - secretariat basis. In this regard, the Meeting requested the ASEAN Secretariat, in cooperation with ACE, to explore the possible areas of mutual cooperation with their counterpart secretariat of GCC and ECO and to inform SOME of the developments.

AGENDA ITEM 7 : CONSIDERATION AND ADOPTION OF THE REPORT

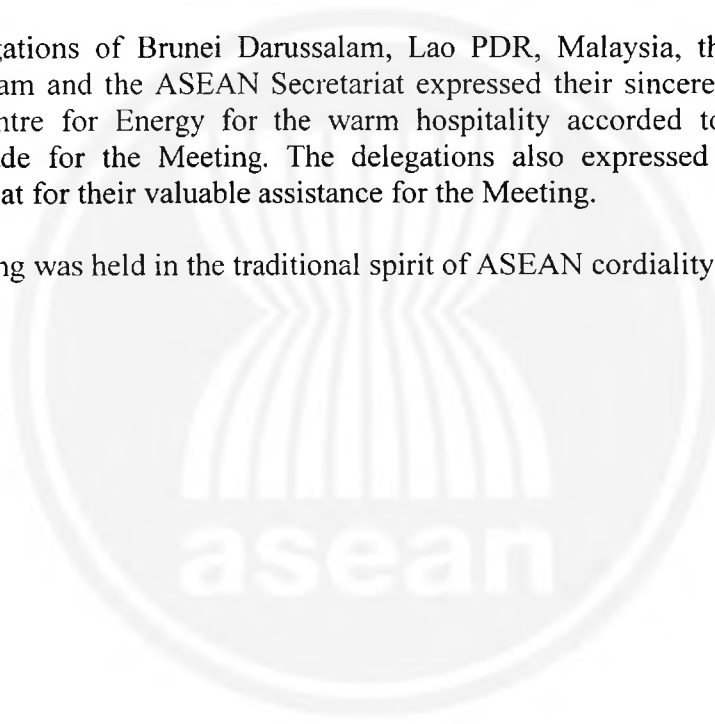
23. The Meeting considered and adopted the Report of the Special Senior Officials Meeting on Energy (SOME) held on 11 March 2000 in Jakarta, Indonesia.

24. The Meeting requested the ASEAN Secretariat to transmit the Report to Cambodia and Myanmar, for consideration / adoption.

ACKNOWLEDGEMENT

25. The delegations of Brunei Darussalam, Lao PDR, Malaysia, the Philippines, Singapore, Thailand, Viet Nam and the ASEAN Secretariat expressed their sincere appreciation to Indonesia and ASEAN Centre for Energy for the warm hospitality accorded to them and the excellent arrangements made for the Meeting. The delegations also expressed their appreciation to the ASEAN Secretariat for their valuable assistance for the Meeting.

The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 15



MYANMAR'S INFORMATION PAPER:
Preparations for the AEM Retreat and
the Meeting of AEM with the Ministers from
China, Japan and Korea

**Information Paper on the Preparations for the AEM Retreat and
the Meeting of AEM with the Ministers from China, Japan and Korea
1 - 2 May 2000, Yangon, Myanmar**

- The AEM Retreat and the Meeting of AEM with the Ministers from China, Japan and Korea will be held on 1st and 2nd May 2000 respectively at the Traders Hotel in Yangon, Myanmar.

AEM Retreat

The indicative topics to be discussed are as follows -

- (1) Presentation of a draft e-ASEAN Agreement by the Chairman of High - Level Task Force.
- (2) Preliminary Report on AFTA - CER Free Trade Area (FTA) Feasibility Study presented by the Chairman of High - Level Task Force.
- (3) Last Tranche of TEL Manufactured Products in year 2000.
- (4) WTO
- (5) Other matters

AEM + 3 Meeting

The main areas to be discussed are as follows -

- (1) Strengthening efforts in accelerating trade, investment and technology transfer;
- (2) Encouraging technical cooperation in information technology and e - commerce;
- (3) Encouraging active participation in development of growth areas in East Asia, including the Mekong River Basin;
- (4) Heightening cooperative efforts on Human Resources Development;
- (5) Promoting broader private sector participation through networking initiatives such as East Asian Business Council and industries specific business fora;

- (6) Promotion of agricultural, industrial cooperation and tourism;
 - (7) Strengthening small medium enterprises and Supporting industries;
 - (8) Cooperation in scientific and technological development; and
 - (9) Coordination and cooperation in various and international and regional fora.
- The Myanmar Government will extend hospitality to the Ministers and Secretary General of ASEAN from 1 - 2 May 2000, which includes hotel accomodation, regular meals and a chauffeur - driven car. One Lasion officer will also be assigned to each minister. Other delegates are responsible for hotel cost including room charges and other services provided by the Hotel. Each delegation will be provided with a mini-bus or a van upon their arrivals/departures. Necessary Airport clearances will be arranged.
 - Each delegation member is required to submit (3) passport - sized colour photographs together with the completed Pre - Registration and Hotel Registration Forms which have to be sent not later than 3 April 2000 directly to the National AFTA Unit of Myanmar.
 - The Programme of Activities (Annex A) and the General Information (Annex B) are enclosed herewith for your information.
 - The Working Dinner will be held at the 7:00 p.m on 30 April 2000 in the Konbaung and Tagaung Room at level 3.
 - The Ball Room 2 at level 2 will be used for the welcoming ceremony and lunch.
 - The Coffee/Tea will be served in Galary Bar for VIP and Pre - function Area for other delegates at level 2.
 - The Closed Session will be held in the Ball Room 1 at Level 2.
 - The Bilateral Meetings can be arranged in the Office Units at Level 6 and Level 7.

**The AEM Retreat and the AEM + 3 Meeting
1- 2 May 2000, Yangon, Myanmar**

Programme of Activities

Venue Traders Hotel

Sunday, 30 April

am - pm Arrival of Delegates
pm - Working Dinner hosted by H.E. Brig-Gen. D.O. Abel,
Minister at the Chairman's Office of the State Peace
and Development Council

The AEM Retreat

Monday, 1 May 2000

08:30 - 09:00 hrs - Registration
09:00 - 09:30 hrs - Welcoming Ceremony
09:30 - 09:45 hrs - Coffee Break
09:45 - 12:30 hrs - Closed Session
12:30 - 14:00 hrs - Lunch
14:00 - 16:00 hrs - Closed Session
16:00 - 16:15 hrs - Coffee Break
16:15 - 17:30 hrs - Closed Session
19:00 - 21:30 hrs - Dinner hosted by H.E. Lt. Gen. Khin Nyunt, Secretary (1),
the State Peace and Development Council

The AEM + 3 Meeting

Monday, 1 May 2000

am - pm Arrival of Delegates

Tuesday, 2 May 2000

08:30 - 09:00 - Registration for China, Japan and RoK
09:00 - 10:30 - Closed Session
10:30 - 10:45 - Coffee Break
10:45 - 12:30 - Closed Session
12:30 - 14:00 - Lunch
14:00 - - Bilateral Meetings

Wednesday, 3 May 2000

am - pm - Departure of Delegates

The 6th ASEAN Economic Ministers (AEM) Retreat

1-2 May 2000

Yangon, Myanmar

General Information

1 Secretariat

- 1.1 The Conference Secretariat for the 6th ASEAN Economic Ministers (AEM) Retreat is the:
National AFTA Unit
Ministry of National Planning and Economic Development
Ministers' Office
Theinbyu Road
Yangon, Myanmar
Tel. (951) 254664, 254665
Fax. (951) 254961
Email. afta.myan@mptmail.net.mm
- 1.2 The Conference Secretariat will be established at the Traders Hotel from 29 April to 3 May 2000.
- 1.3 The Secretariat will be responsible for the logistic and administrative arrangements for 6th AEM Retreat. It will work in close collaboration with the representatives from the delegations' respective Embassies in Yangon.

2. Dates and Venue of the Meeting

- 2.1 The Meeting will be held on 1 - 2 May, 2000.

- 2.2 Venue for the Meeting:

Traders Hotel
Ball room 1
223, Sule Pagoda Road
G.P.O Box 888
Yangon, Myanmar
Tel. (951) 242828
Fax. (951) 242800
Email: tradershotel.yn@mptmail.net.mm

- 2.3 Meetings are scheduled as follows:

30th April 2000 (Sunday)

- Informal Working Dinner

1 May 2000 (Monday)

- AEM Retreat

2 May 2000 (Tuesday)

- AEM + 3 Meeting

- 2.4 Tentative programme details will be followed later.

3 **Hospitality**

- 3.1 The Myanmar Government will extend hospitality to the Ministers and the Secretary General of ASEAN from 1-2 May 2000. Hospitality includes hotel accommodation, regular meals, a chauffeur-driven car. A mini-bus will be provided for other members on their arrival / departure.

4 **Accommodation**

- 4.1 Special accommodation rates have been made with Traders Hotel for the 6th AEM Retreat. Delegates may wish to reserve rooms directly with the Hotel or through the Conference Secretariat at the following contact numbers.

Traders Hotel
Tel. (951) 242828
Fax. (951) 242800
Email: tradershotel.yn@mptmail.net.mm

National AFTA Unit
Tel. (951) 254664, 254665
Fax. (951) 254961
Email: afta.myan@mptmail.net.mm

- 4.2 Each delegation will be responsible for hotel costs including room charges, cancellation charges, telephone/fax/telex and other services provided by the Hotel. Hotel bills are to be settled by each delegates directly with the hotel.

Room Category	Daily Room Rate
Superior Single / Double	US \$ 60/70
Deluxe Single / Double	US \$ 70/80
Traders Club Single/Double	US \$ 95
Executive Suite Single/Double	US \$ 132

- 4.3 Delegates should place their reservations by 3 April 2000 using the hotel reservation form attached at Annex 1.

5 **Transport Arrangements**

- 5.1 Chauffeur-driven cars will be provided to Ministers and the ASEAN Secretary General upon their arrival at Yangon International Airport. Each delegation will also be provided with a bus or van upon their arrivals and departures.

6 **Liaison Officers**

One Liaison Officer (LO) will be assigned to each Minister and the Secretary-General of ASEAN. These officers will co-ordinate between the Conference Secretariat and the respective delegations.

7. **Contacting Point**

- 7.1 A desk of officers-in-charge will be set up at the hotel lobby at the Traders Hotel. They will be assigned to respond to logistical requests of delegates including transports and other related matters

8. **Security Officers**

- 8.1 The Government of Myanmar will provide adequate security for Ministers and the ASEAN Secretary-General.

9. **Identification**

- 9.1 All Ministers and the Secretary-General of ASEAN will be issued with special identification pins
- 9.2 All other delegates, conference secretariat staff, security officers, non-delegation administrative/supporting staff and accompanying persons will be issued with identification cards.

10. **Registration**

- 10.1 A sample of the pre-registration form is attached Annex 2.
- 10.2 Each delegation member is required to submit three (3) passport-sized coloured photographs for the preparation of the identification cards with the completed Pre-Registration Form. The pre-registration form and photographs should be sent directly to the National AFTA Unit not later than 3 April 2000.

Registration and Accreditation

- 10.3 Each delegation is requested to assign a Delegation Contact Person to liaise with the Conference Secretariat.
- 10.4 Delegates may register with the Registration Desk outside the Ballroom 1 on 1 May 2000 between 8:00 to 9:00 am. Upon registration, each delegate will be issued with an identification card, documents for the meeting.
- 10.5 Members of respective delegation or embassy may register on behalf of the Ministers and the Secretary-General of ASEAN.

11. **Reception upon Arrival and Departure**

- 11.1 Airport courtesies will be extended for ministers, the Secretary-General of ASEAN and SEOM Leaders. To ensure that proper courtesies are provided, it is requested that finalised travel arrangement be submitted to the Conference Secretariat not later than 3 April 2000. The conference Secretariat should be notified any changes in the travel plans immediately.

The 6th ASEAN Economic Ministers (AEM) Retreat

1-2 May, 2000

Hotel Reservation Form

Please fax completed form to the hotel at before 3 April 2000.

1. GUEST INFORMATION

Guest Name: Mr/ Mrs/ Ms _____

(please underline family name)

Title: _____

Country/Organisation Name: _____

Address: _____

Telephone : _____ Fax: _____

Passport No: _____ Expiry Date: _____ Place of Issue: _____

Room Requirement (Please tick the appropriate box)

Room Category	Daily Room Rate		
Superior Single / Double	US \$	60/70	
Deluxe Single / Double	US \$	70/80	
Traders Club Single/Double	US \$	95	
Executive Suite Single/Double	US \$	132	

2. FLIGHT DETAILS

Arrival date : _____ Flight : _____ Time : _____

Departure date : _____ Flight : _____ Time : _____

The 6th ASEAN Economic Ministers (AEM) Retreat

1-2 May, 2000

PRE-REGISTRATION FORM

(One form per delegate)

1. PARTICULARS OF DELEGATE

Name of Delegate : _____
 (Please underline Last Name)

Country : _____

Designation : _____

Organisation/Ministry : _____

Office Address : _____

Telephone Number : _____

Facsimile Number : _____

Delegate's Status : Leader/Member/Security/Support Staff/ Others _____

Hotel: _____ Check in date: _____

2. FLIGHT

	Date	Time (e.g.1830 hrs)	Flight no.
ARRIVAL		Hrs	
DEPARTURE		Hrs	

3. ACCOMMODATION

Traders Hotel	
Room Category	Daily Room Rate
Superior Single / Double	US \$ 60/70
Deluxe Single / Double	US \$ 70/80
Traders Club Single/Double	US \$ 95
Executive Suite Single/Double ¹⁹¹	US \$ 132

4 Details of Contact Person in Myanmar Embassy/High Commission.

Name of Contact Person : _____

Telephone No: _____ Facsimile No. _____

Kindly return the completed form with three (3) passport-sized coloured photographs to the following address **not later than 3 April 2000.**

National AFTA Unit
Ministry of National Planning and Economic Development
Ministers' Office
Theinbyu Road
Yangon, Myanmar
Tel. (951) 254664, 254665
Fax. (951) 254961
Email. afta.myan@mptmail.net.mm





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 16



**FINAL LIST OF TOPICS FOR THE AEM RETREAT
1 MAY 2000, YANGON, MYANMAR**

1. Last Tranche of TEL Manufactured Products

Ministers may wish to consider the proposed modality for Malaysia's CBU.

2. Presentation of a draft e-ASEAN Agreement by the Chairman of the e-ASEAN Task Force

Ministers may wish to consider the progress report of the Chairman of the e-ASEAN Task Force.

3. Preliminary Report on AFTA-CER Free Trade Area Feasibility Study Presented by the Chairman of the High-Level Task Force

Ministers may wish to consider the progress report of the Chairman of the AFTA-CER High Level Task Force.

4. Preparations for AEM + 3

Ministers may wish to consider preparations for the AEM + 3.

5. International and Regional Economic Issues

- WTO
- APEC
- ASEM

Ministers may wish to discuss current regional and international economic issues.

6. Other Matters



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 17



Agenda Item 11.2

Highlights of the Preparatory Meeting of the AEM+3 28 March 2000, Yangon, Myanmar

The preparatory meeting for AEM+3 was held in Yangon, Myanmar on 24 March 2000. The meeting was attended by representatives from Myanmar and Singapore on the ASEAN side and by representatives from China, Japan and Korea. Staff members of the ASEAN Secretariat were also in attendance.

Possible areas of cooperation

2. The Meeting identified 10 areas of cooperation which could form the basis of some deliverables at the next ASEAN+3 Summit in Singapore in November 2000. They include:

- (a) Trade and Investment Promotion and Facilitation;
- (b) e-ASEAN Initiative;
- (c) Mekong Basin;
- (d) Human Resources Development;
- (e) Industry-Specific Business Fora;
- (f) Promotion of Agriculture, Industrial Cooperation and Tourism;
- (g) Strengthening of Small and Medium Enterprises and Supporting Industries;
- (h) Cooperation in Scientific and Technological Development;
- (i) Coordination and Cooperation in Various International and Regional Fora;
and
- (j) Others.

3. The Meeting requested the ASEAN Secretariat to revise its paper on the possible areas of cooperation between ASEAN and China, Japan and Korea to incorporate the views/suggestions raised during the meeting and also suggest possible follow-up in each of the identified areas of cooperation. The Meeting agreed to use the revised paper as the basis for the AEM+3 discussion on the deliverables at the next ASEAN+3 Summit.

Convening of SEOM+3

4. The Meeting agreed that there may be a need to convene SEOM+3, on a need basis, to follow-up to the AEM+3 decisions. The Meeting also agreed to raise this matter to the AEM+3 for the consideration of the Ministers.

Joint Press Statement

5. The Meeting further agreed to issue a joint press statement at the AEM+3 meeting and requested the ASEAN Secretariat to prepare a draft and circulate it to all member countries for their consideration.

Informal AEM-MITI

6. Japan raised the issue on convening an “informal” AEM-MITI back-to-back with the AEM Retreat, during the welcoming dinner hosted by HE BG David Abel, Minister at the Chairman Office of the State, Peace and Development Council. ASEAN informed Japan this would be taken up at the SEOM 2/31 for further deliberation.

*The Meeting may wish to discuss the issues
arising from the preparatory meeting for AEM+3*





**SUMMARY RECORD
OF THE PREPARATORY MEETING FOR AEM+3
YANGON, MYANMAR, 24 MARCH 2000**

The Preparatory Meeting for AEM+3 was held on 24 March 2000 in Yangon, Myanmar.

2. The Meeting was attended by representatives from Myanmar and Singapore on the ASEAN side and by representatives from the People's Republic of China, Japan and the Republic of Korea. Staff members of the ASEAN Secretariat were also in attendance. The List of Delegates appears as ANNEX 1.

3. The Meeting was chaired by Mr. David Chin Soon Siong, Deputy Chief Executive, Trade Development Board, Singapore.

AGENDA ITEM 1. WELCOMING REMARKS

4. In his welcoming remarks, H.E. BG David O. Abel, the Minister at the Chairman's Office of the State, Peace and Development Council, extended a warm welcome to all the delegations. He emphasised the importance of this meeting in coming up with a concrete plan of action to implement the Joint Statement on East Asia Cooperation issued by the Leaders at the ASEAN+3 Summit, for the consideration of the AEM+3 Meeting, to be held in Yangon, Myanmar on 2 May 2000.

5. In drafting the plan of action, the Minister requested the Meeting to take into consideration the proposals raised at the ASEAN+1 Summit Meetings between the Heads of State/Government of ASEAN and China, Japan and Korea. Amongst others, these included coming up with concrete measures toward promoting and facilitating trade, harnessing the opportunities of ASEAN trade and investment initiatives, revitalising the economy through human resources development and people-to-people exchange, and knowledge-based training.

6. The Minister noted that most of the issues discussed during the Summit has already been included in the agenda for this meeting and proposed to include three additional issues which need to be addressed: namely agriculture, industrial cooperation and tourism.

AGENDA ITEM 2. ADOPTION OF THE AGENDA

7. The Meeting adopted the amended Agenda, which appears **ANNEX 2**.

AGENDA ITEM 3. FOLLOW-UP TO THE ASEAN+3 SUMMIT, PHILIPPINES, 28 NOVEMBER 1999

8. The Meeting noted the ASEAN Secretariat's paper on the outcomes of the ASEAN+3 Summit and the Joint Statement on East Asia Cooperation issued by the Leaders at the ASEAN+3 Summit, which appear as **ANNEXES 3** and **4**.
9. The Meeting's discussion on the possible areas of cooperation between ASEAN and China, Japan and Korea were guided by these documents

AGENDA ITEM 4. POSSIBLE AREAS OF COOPERTION

10. The Meeting considered the papers by the ASEAN Secretariat and Korea on the possible areas of cooperation between ASEAN + 3, which appear as **ANNEXES 5** and **6** respectively. In discussing these specific proposals, the Meeting noted that they followed from the Summit mandates and agreed they could form the basis of some deliverables at the next ASEAN+3 Summit to be held in Singapore in November 2000.

11. The Meeting had an exchange of views on the following possible deliverables:

Trade and Investment Promotion and Facilitation

12. The Meeting agreed that possible deliverables here would be the promotion of transparency on the trade regimes and, the identification and elimination of non-tariff barriers. The Meeting further agreed these deliverables could be in the form of handbooks /reports on trade and customs procedures, as well as complaints, which could then be follow-up by workshops, seminars and conferences with active participation from the private sectors.

13. The Meeting noted that the ASEAN Secretariat's proposal on the establishment of trade promotion centre could take a "virtual" form linking up the websites of the existing trade promotion agencies and centres in ASEAN, China, Japan and Korea. The Meeting further noted the need to constantly update these websites to ensure it is relevance and usefulness to the intended users mainly the private sectors. The Meeting agreed that this could be another deliverable under trade and investment.

14. The Meeting noted Japan's continuing interest in the regional integration schemes of ASEAN such as AFTA, AICO and AIA. The Meeting also noted Korea's view that ASEAN intra-regional liberalisation should be complemented by efforts to see to it that they do not disadvantage non-ASEAN trade partners.

e-ASEAN Initiative

15. The Chairman briefed the Meeting on the e-ASEAN initiative, which aims to enhance ASEAN's competence in the digital economy, and the need for technical and financial assistance to ensure that all ASEAN members, particularly the new members, are able to benefit from it.

16. Korea briefed the Meeting on its proposal to narrow the knowledge and information gap as ASEAN, China, Japan and Korea move towards the knowledge-based economy. This could be done in the form of expanding training programs on information and telecommunications, computer applications so that more people can have access to information. Korea informed the meeting that once she had finalised her proposal, she would table it at the AEM+3.

17. Japan expressed its full support to the evolution and implementation of e-ASEAN into e-Asia within the ASEAN+3 framework.

Mekong Basin

18. The Meeting noted that Japan and Korea are currently not core members of the ASEAN-Mekong Basin Development Cooperation although they make important contributions to the development of the Mekong Basin. The Meeting agreed that this issue could be taken up during the AEM+3.

Human Resources Development

19. The ASEAN Secretariat briefed the meeting that the idea of establishing a Human Resource Development Fund was first mooted by the Thai Foreign Minister, H.E. Mr. Surin Pitsuwan, at the 32nd ASEAN Ministerial Meeting in Singapore in July 1999. The objective of the fund is to set aside monetary resources to assist new ASEAN member countries in the development of their human resources.

20. The Meeting requested the ASEAN Secretariat to prepare a concept paper as to how the establishment of such a fund could help in addressing these needs. The Meeting agreed that this concept paper could then be tabled at the AEM+3 for the consideration of the Ministers.

Industry-Specific Business Fora (ISBF)

21. In order to expedite the realisation of this industry-specific business fora, Korea proposed that each country (ASEAN, China, Japan and Korea) should appoint a coordinator who would provide administrative support in forming the industry-specific business network covering the major industries in East Asia. The Meeting agreed to take up Korea's proposal at the AEM+3.

Promotion of Agriculture, Industrial Cooperation and Tourism

22. The Meeting noted the sensitivity attached to the agriculture sector and agreed that focus on this issue should be on technical assistance and cooperation. The Meeting further noted Myanmar's proposal on the possibility of establishing a Food Security Programme in East Asia.

23. The Meeting noted that ASEAN would be seeking views from its committees/working groups, in particular SOM-AMAF and NTO, on the scope of cooperation they would like to pursue in their respective areas under the ASEAN+3 framework.

Strengthening of Small Medium Enterprises and Supporting Industries

24. Japan informed that the Meeting that she would like to share her experience and know how with ASEAN member countries on the strengthening of small medium enterprises and supporting industries and that she would table a proposal on this for the AEM+3.

Cooperation in Scientific and Technological Development

25. To further promote cooperation in scientific and technological development in East Asia, Korea proposed the promotion of exchange of high-tech human resources, conduct common research for the purpose of technology transfer and also review measures to support the building of technology specialty network incorporating meteorological and other science and technology information in the East Asia.

26. The Meeting agreed that Korea's proposal could be a possible deliverable under this item.

Coordination and Cooperation in Various International and Regional Fora

27. The Meeting noted the importance of continuing deliberations on developments in international fora such as WTO (new round of negotiations, anti-dumping, environment, labour standards), APEC and ASEM.

Others

28. The Meeting that should there be any additional issues raised by ASEAN+3, it could be incorporated under this item.

29. The Meeting agreed that these ten items would constitute the set of possible actions to be considered at the AEM+3. The Meeting further agreed that there should only be one paper highlighting the possible areas of cooperation and that the ASEAN Secretariat would prepare this draft for the consideration of all countries.

30. The Meeting agreed on the need to convene SEOM+3 as the need arises, to look into the implementation of the decisions of the AEM+3. The Meeting agreed to recommend to the AEM + 3 that such a mechanism be established.

31. The Meeting agreed to the proposal that the AEM+3 issue a brief joint press to highlight the important steps they were taking to implement the Joint Statement on East Asia Cooperation. The Meeting requested the ASEAN Secretariat to prepare the draft joint press statement and circulate to all member countries for their consideration.

AGENDA ITEM 5. PREPARATION FOR AEM + CHINA, JAPAN AND KOREA MEETING, YANGON, MYANMAR, 2 MAY 2000

32. Myanmar briefed the Meeting on the preparation for the forthcoming AEM+3, which will be held back-to-back with the Informal AEM Retreat in Yangon, Myanmar on 2 May 2000. Myanmar's paper appears as ANNEX 7.





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 18



**Possible Areas of Cooperation between
ASEAN and China, Japan and Korea
Proposed by Myanmar**

Agriculture

Agriculture is a very important sector for ASEAN member countries as well as, the three dialogue partners. There need to be sufficient healthy food for ever increasing mouths to feed.

Possible Actions:

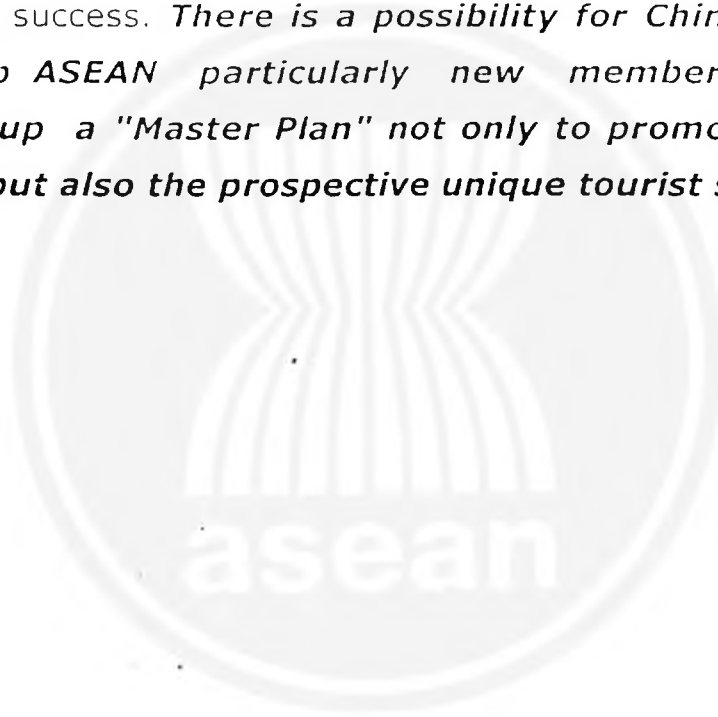
1. ASEAN has a Food Security Reserve Scheme. ***May be China, Japan and Korea will participate in this scheme either in cash or in kind.***
2. Genetically modified products are ever on the increase. There is a need to cooperate and coordinate amongst ASEAN member countries so that these products will still remain healthy for human consumption. ***China, Japan and Korea could conduct seminars and workshops both on the methodology to genetically improve production, and the precautions required to protect human health.***
3. ASEAN has a program to cooperate in sanitary and Phyto-Sanitary measures. To effectively participate in this program, ASEAN new member countries are inadequately equipped with inspection instruments and technology. ***Perhaps China, Japan and Korea can provide software and hardware assistance.***
4. Myanmar has been designated the lead country for beans and pulses. ***China, Japan and Korea may wish to extend training programs so Myanmar can perform its responsibility efficiently.***

Industry

There are 74 AICO projects as at 18 December 1999, but none of the new ASEAN member countries (CLMV) are involved. New initiatives have been taken to allow for the participation of SMEs in the AICO Scheme. The Informal AEM Meeting held on 25 November 1999 in Manila, Philippines also discussed SMEs and SI policy upgrading. These are positive steps for CLMV. ***China, Japan and Korea can assist to widen and deepen CLMV's participation in the AICO Scheme.***

Tourism

Each ASEAN member country has been promoting tourism with varying success. ***There is a possibility for China, Japan and Korea to help ASEAN particularly new member countries (CLMV) draw up a "Master Plan" not only to promote the usual tourist sites, but also the prospective unique tourist sites.***





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 19



Agenda Item 9.1

Highlights of the Inception Meeting of the High Level Task Force on the AFTA-CER Free Trade Area

At the Fourth Informal Consultations between the AEM and the CER Ministers, both sides agreed to establish a high-level Task Force to look into the feasibility of an AFTA-CER free trade area by the year 2010. The Task Force is to report their findings to the Fifth Informal AEM-CER Consultations in Bangkok in October 2000. The Task Force is chaired by former Prime Minister Cesar E.A. Virata of the Philippines.

2. The Task Force met on 8-9 February 2000 in Jakarta and considered a number of key issues. They reviewed the current state of the trade and investment relationship between ASEAN and CER countries, the background leading to the establishment of the AFTA-CER linkage and an assessment of the progress of the linkage so far.

3. The Secretariat briefed the Task Force on the developments in ASEAN economic cooperation, particularly in trade, investments, services and industrial cooperation. Special emphasis was put in explaining the time frames in AFTA, treatment of sensitive or difficult sectors in ASEAN, treatment of new members and the rules and disciplines in ASEAN economic agreements. The CER side provided a brief summary of the history of the CER and an assessment of the benefits generated from economic integration.

4. The Task Force had an extensive discussion on the possible benefits and costs of an AFTA-CER FTA. They recognised that the benefits of an AFTA-CER FTA included static and dynamic effects, enhanced bargaining power of the combined FTA, accelerating the liberalisation process in the Asia-Pacific region and increasing the attractiveness of the combined region as a magnet for investments and technology.

5. In its deliberations, the Task Force considered the following initial proposals:

- (i) The AFTA-CER FTA should cover trade in all goods, services (covering all modes of supply), investments, rules, technical barriers to trade and mutual recognition arrangements (MRAs).
- (ii) Since AFTA would be achieving a zero ending rate by 2010, except for the four new members of ASEAN, one possibility was for the AFTA-CER FTA to adopt a similar goal.

6. The Task Force clearly understood that these were initial proposals and needed to be considered in greater detail. Hence the Task Force agreed on a number of steps to be taken as they looked towards the Fifth Informal AEM-CER Consultations. These included:

- (i) Updating previous papers and studies done on a possible FTA between ASEAN and the CER countries.
- (ii) Undertaking consultations with relevant interest groups.

(iii) Undertake a Study covering the following issues:

- a) Full identification of the benefits of the AFTA-CER FTA (static and dynamic effects, enhanced bargaining power, accelerating the liberalisation process in the Asia-Pacific region, increasing the attractiveness of the combined region as a magnet for investments and technology).
- b) Full identification of the costs and downsides of the FTA;
- c) Adjustment measures and capacity building;
- d) Flexibility to be accorded some sensitive sectors (e.g. longer time frames).
- e) Ensuring WTO consistency of the proposed FTA;
- f) Modality of establishing the linkage (the modalities adopted by other inter-regional FTA arrangements could be examined); and
- g) Institutional Mechanism (e.g. rules of origin, dispute settlement mechanism, technical barriers to trade and mutual recognition arrangements).

7. The Task Force had recruited an expert to help in fleshing out the details of their study. They also agreed on the following timetable:

27-28 April 2000:	Second Meeting of the Task Force
1 May 2000:	Task Force Chair will report the progress to the AEM Retreat
August 2000:	Final Meeting of the Task Force
September 2000:	The draft report is circulated to ASEAN and CER ministers.
October 2000:	The final report, incorporating comments from Ministers, is presented by the Task Force Chairman at the Fifth AEM-CER Informal Consultations.

The Meeting may wish to note the highlights of the Inception Meeting of the Task Force.

SUMMARY RECORD OF THE INCEPTION MEETING OF THE HIGH LEVEL TASK FORCE ON THE AFTA-CER FTA

8-9 February 2000, ASEAN Secretariat, Jakarta

Introduction

1. The Inception Meeting of the High Level Task Force on the AFTA-CER Free Trade Area (FTA) was held on 8-9 February 2000 in Jakarta, Indonesia.
2. The Meeting was chaired by Mr. Cesar E. A. Virata of the Philippines.
3. The list of participants appears as ANNEX 1.

Agenda Item 1: Consideration of the Terms of Reference of the Task Force

4. The Task Force considered and adopted the Terms of Reference (TOR) which appears in ANNEX 2.
5. Sir William Birch of New Zealand expressed his view that the work of the Task Force should build on past studies which have shown that there would be gains from an AFTA-CER Free Trade Area.
6. On the other hand, Mr Tunky Ariwibowo of Indonesia noted that the TOR allows the Task Force to commission studies or research papers to assist the Task Force in formulating appropriate recommendations to the AEM-CER Consultations. He expressed the need for these additional studies, which could focus on lessons learned from other regional groupings (e.g. EU) and what steps have to be taken to ensure that benefits accrue to all participants in such a FTA.

Agenda Item 2: The AFTA-CER Linkage

7. The Task Force noted the information paper on the AFTA-CER Linkage, as appears as ANNEX 3.
8. The Task Force members considered the relatively small share of CER in ASEAN's trade (and vice versa) and as a source of investments and discussed possible reasons for this. Some of the explanations considered were the low level of business awareness about the opportunities offered in each region and the relatively small population size of CER. Some Task Force members noted that if the reason for this small share was the relatively small population size of the CER, then this might call into question the presumption that there was scope for substantial growth in the trade and investment relationship between the two regions.

9 Sir William Birch noted that given the similar sizes of AFTA and CER economies, an AFTA-CER FTA would double the size of AFTA and CER and that this would therefore give greater scope to increase trade and investment flows.

10 On the other hand, the Task Force noted that while a purely static analysis might reveal small gains, there could be significant dynamic benefits through increased productivity or economies of scale from a larger market. In addition, there may be important non-economic benefits that could come about from an AFTA-CER FTA, such as accelerating further liberalisation in the Asia-Pacific region (through APEC) and increased bargaining power for AFTA-CER in other international or regional fora.

11 Dr. Mohd. Haflah Piei of Malaysia stressed the need to focus the resources of any study on where the perceived benefits from the FTA would arise. He proposed to focus on the dynamic effects since the static effects are believed to be small.

12 To provide some balance, Dr. Cielito Habito of the Philippines and Mr. Hoang Tich Phuc of Viet Nam pointed out the need for a full identification of the costs, whether economic or non-economic, that might be incurred from an AFTA-CER FTA. Mr. Mohd. Haflah Piei expressed the concern that unless some of the possible short-term damage of an AFTA-CER FTA was addressed, it would be difficult to move forward. At the same time, Dr. Wisarn Pupphavesa of Thailand stressed that the discussion of costs should take into consideration that not embarking on an AFTA-CER FTA would also incur some costs, inefficiency costs for example.

13 Beyond the benefits and costs that have been identified so far, Dr Lee Tsao Yuan of Singapore pointed out another benefit from an AFTA-CER FTA, which is for ASEAN to retain its attractiveness as a destination of foreign direct investment in the face of increasing competition or threat from alternative destinations like China and other NE Asian countries.

14 The Task Force noted the two issues which Mr. Maung Maung Yi of Myanmar raised concerning the AFTA-CER FTA: the need for political will to carry it out and the need to show that it was feasible. Mr. Tunky Ariwibowo highlighted the need to study capacity building, particularly of human resources, in order to enable all countries to capitalize on the benefits of the FTA.

15 Mr. Kong Vibol of Cambodia inquired how the more developed ASEAN members and CER can help the new ASEAN members given the lack of infrastructure in these countries.

16 In order to assist the Task Force in looking at some of the issues discussed, the Members agreed on the need to:

- a) Update the previous papers and studies conducted on the AFTA-CER; and
- b) Undertake consultations with relevant interest groups on the proposed AFTA-CER FTA to get some feedback on both the promise and threat posed by such an arrangement.

17. The ASEAN Secretariat informed the Meeting of the existence of the ASEAN-Australia and ASEAN-New Zealand Business Councils and suggested that they be included in the consultations. Mr Tim Fischer of Australia suggested that a joint meeting of these councils could be held in conjunction with the ASEAN 2000 Business Summit in Kuala Lumpur on 11-12 April 2000

18. Some Task Force members noted that the consultations would be more productive if some of the specific modalities of the AFTA-CER FTA had already been agreed upon by the Task Force

Agenda Item 3: ASEAN Economic Cooperation

19. The Task Force considered the development and status of cooperation in ASEAN in the areas of trade in goods, trade in services and investment. The information paper prepared by the ASEAN Secretariat appears as ANNEX 4

Agenda Item 4: Economic Cooperation in CER

20. The Task Force considered the development and status of cooperation between Australia and New Zealand under the Closer Economic Relations Agreement. The information paper prepared by Australia and New Zealand appears as ANNEX 5.

21. Mr. Tim Fischer and Sir William Birch touched on the factors contributing to the birth of CER, including the UK's admission into the EC (and the resulting loss of a traditional market), the long historical ties between the two countries and the benefits of a larger regional market. The heavily protected nature of the economies – particularly that in New Zealand was also an important factor. Both governments saw CER as a first step towards wider, global liberalisation and deregulation. CER was hugely positive in building eventual support for global liberalisation.

22. Members of the Task Force noted the overall assessment of Australia and New Zealand of the significant benefit gained from the CER arrangement on goods, services, investments and people. Australia is New Zealand's foremost trade partner and biggest source of investments. On the other hand, New Zealand is Australia's largest market for manufactured exports. Equally important was the creation of internationally competitive industries in both countries.

23. Both Mr. Tim Fischer and Sir William Birch admitted that some issues have not been easily resolved. These included liberalisation of air traffic rights and quarantine issues (which loom large for economies that are food and agriculture- based). Sir William Birch also admitted that the issue of foreign ownership could sometimes be sensitive domestically although it is now considerably less so than at the beginning of the CER. On the whole though, both Mr. Tim Fischer and Sir William Birch emphasized that the net outcome was still significantly positive and overrode the risks and costs associated with integration.

24. There was interest among the Task Force members to learn about the adjustment process in the CER. How did the governments manage this? It was explained that the CER has been in operation for at least 17 years and very little resistance occurred as the benefits were widely recognised. The CER Task Force members informed the meeting that there were no adjustment subsidies or assistance given to sunset industries in both Australia and New Zealand. However, there could be some phasing of tariff reductions and provision for gradual opening up and upgrading of affected sectors. In the main, government's role has been to provide training and education to support the public policy of liberalisation.

25. As for the future evolution of CER, further harmonisation and win-win growth was expected.

26. There was some discussion of the P-5 initiative, which involved the creation of a FTA involving the United States, Australia, New Zealand, Singapore and Chile. Dr. Mohd. Hafilah Piei inquired about the origins of the proposal and what determined the selection of potential members. Mr Tim Fischer traced the genesis of the proposal to the Clinton administration's failure to obtain fast-track authority from the US congress although it was observed that no significant follow-up on the initiative had occurred recently.

27. The Task Force noted that CER has a 50% content requirement to determine origin while ASEAN has a 40% rule of origin. Both ASEAN and CER Task Force members agreed that an AFTA-CER FTA would require agreed rules of origin.

Agenda Item 5: Consideration of Specific Issues

Scope of a possible FTA

28. Mr. Tunky Ariwibowo pointed out that the real benefits to ASEAN of an AFTA-CER Linkage can only accrue if there is a free movement of goods, services, investment and natural persons. The EU was cited as an example of how such a unified market increased bargaining power in international fora because such markets increased interdependency among its members. In addition it was mentioned that the flexibility, capacity building and time line in the implementations of such free movement, should be taken into account on a country-by-country basis.

29. Mr. Maung Maung Yi, on the other hand, took the position that the FTA should exclude the free flow of services due to the sensitivity of the services sector. With regard to the scope of trade in goods, Mr. Maung Maung Yi was of the view that considering the sensitivity of the agricultural sector in ASEAN, it should also be excluded from the coverage of the FTA.

30. Sir William Birch argued the need for an FTA that had comprehensive coverage and was consistent with APEC and WTO as well as consistent with the broad direction of AFTA and CER. Sir William Birch further suggested that the AFTA-CER FTA would be somewhere between AFTA and APEC in order to contribute towards acceleration of APEC.

31. Dr. Wisarn Pupphavesa and several others agreed with the need for comprehensiveness in the FTA but indicated that the areas should be consistent with ongoing efforts already in ASEAN and CER.

32. The ASEAN Secretariat clarified that the ASEAN Vision 2020, which sets out the long-term objectives of ASEAN, just calls for “free flow of goods, services and investments and freer flow of capital”.

33. Mr. Tunky Ariwibowo noted that the Hanoi Plan of Action adopted by the ASEAN Leaders called for liberalisation of all services sectors and all modes of supply. Hence, the liberalisation of mode four - movement of natural persons – must be covered by the AFTA-CER FTA.

34. The Task Force agreed to propose that the AFTA-CER FTA should cover trade in all goods, services (covering all modes of supply), investments, rules, technical barriers to trade and mutual recognition arrangements (MRAs).

Ending Rate and Ending Dates

35. The Task Force noted that the initial ending rate for AFTA was 0-5% by the year 2002. The Task Force further noted that AFTA would be achieving a zero ending rate by 2010, except for the four new members of ASEAN. One possibility was for the AFTA-CER FTA to adopt a similar goal. The Task Force noted that these were tentative schedules and targets, which would be discussed at subsequent meetings, and which could be extended if need be for sensitive sectors. In particular, the Task Force members recognized that some adjustments and flexibility may have to be provided to the four new ASEAN members. Nevertheless, Task Force members saw the utility of proposing specific ending dates and ending tariff rates for the purpose of both the study and the consultations that would be undertaken subsequently.

36. The Task Force noted the clarification of Mr. Somchith Inthamith of Lao PDR that under AFTA, the new members have up to the year 2015 to achieve the target of zero ending rates.

WTO Consistency

37. Mr. Tim Fischer explained that for a FTA covering trade in goods, WTO-consistency requires compliance with GATT Article XXIV which mandates that:

- a) The FTA would eliminate all duties and other restrictive regulations on substantially all trade between the members;
- b) The duties and regulations maintained by members at the formation of the FTA or during the adoption of an interim arrangement leading to the FTA and applied to non-FTA members shall not be higher than that which existed prior to the formation of the FTA; and

- c) For interim arrangements that lead to a FTA, the schedule for the formation of such a FTA should be within a reasonable length of time.

Mr. Tim Fischer also clarified that Article V of the General Agreement on Trade in Services (GATS) require that FTAs covering trade in services should have substantial sectoral coverage.

38. Mr. Tim Fischer noted that the ASEAN PTA and the CEPT Agreements were notified under the Enabling Clause, which applies only to developing countries. One difference between compliance with Article XXIV and the Enabling Clause was that the latter did not require that the schedule for the formation of a FTA should be within a reasonable length of time.

39. An AFTA-CER FTA may have to be notified under Article XXIV since it would include developed and developing countries. This might have some implications on the schedules of trade liberalisation to be adopted in such a FTA.

40. The Task Force agreed on the need to solicit sound legal counsel on all the possible ramifications of an AFTA-CER FTA.

Capacity Building

41. The Task Force recalled that some of the technical assistance needs of the new ASEAN Members had been identified and prioritised by the ASEAN Economic Ministers in October 1997. These included among others setting up a trade database, training in GATS and other services regime, implementation of GATT valuation and enhancing technical capacity for standards and conformity. Many of these are already being addressed under the AFTA-CER linkage.

42. Mr. Tim Fischer informed the other Task Force members of its current efforts to increase technical capacity in ASEAN through its A\$ 45 million regional programme – the ASEAN-Australia Development Cooperation Programme (AADCP).

43. The ASEAN Secretariat inquired about the possibility of assistance from CER beyond just capacity building, such as for structural adjustment – employee retraining, etc. Mr. Tim Fischer and Sir William Birch reiterated that they do not provide these types of assistance or subsidies and were intent on providing basically the type of assistance contained in programmes such as the AADCP.

Agenda Item 6: Consideration of the Work Program of the Task Force

44. The Task Force agreed on the following work plan and schedule:

Work Plan

- (i) Update the previous papers and studies (e.g. Stoeckel paper); and
- (ii) Undertake consultations with relevant interest groups:

(iii) Undertake a Study covering the following issues:

- a) Full identification of the benefits of the AFTA-CER FTA (static and dynamic effects, enhanced bargaining power, accelerating the liberalisation process in the Asia-Pacific region, increasing the attractiveness of the combined region as a magnet for investments and technology);
- b) Full identification of the costs and downsides of the FTA;
- c) Adjustment measures and capacity building;
- d) Flexibility to be accorded some sensitive sectors (e.g. longer time frames);
- e) Ensuring WTO consistency of the proposed FTA;
- f) Modality of establishing the linkage (the modalities adopted by other inter-regional FTA arrangements could be examined); and
- g) Institutional Mechanism (e.g. rules of origin, dispute settlement mechanism, technical barriers to trade and mutual recognition arrangements).

Schedule:

April 2000:	Second Meeting of the Task Force
August 2000:	Final Meeting of the Task Force
September 2000:	The draft report is circulated to ASEAN and CER ministers.
October 2000:	The final report, incorporating comments from Ministers, is presented by the Chairman at the Fifth AEM-CER Informal Consultations.

Proposed Framework for Consultations

45. To ensure that a systematic and comparable series of consultations was held, the Task Force agreed to adopt the following framework:

- a) The target audience should cover relevant interest groups
- b) The following issues would be raised during the consultations

- Perceived benefits and costs from liberalisation and which sectors or industries could be affected
- Market access issues (whether tariff or non-tariff in nature)
- Investment impediments faced
- Time frame for possible FTA
- Adjustments or flexibility required by threatened sectors
- Capacity building (not limited to HRD)

46. Dr. Cielito Habito emphasized the importance of conducting a more disaggregative analysis of the costs of liberalisation. Specifically, a stakeholder approach in which the winners and losers are identified should be employed so that the appropriate adjustment measures could be proposed, ultimately building support for inter-regional liberalisation.

47. Dr. Wisarn Pupphavesa noted that the net effects of liberalisation should generally be positive within a country and that the Task Force should only focus on outcomes where inter-country transfers (“immiserizing liberalisation”) was pronounced. Individually, it is up to each country to establish a program of adjustment to manage the distribution of benefits and losses from liberalisation.

48. Mr. Maung Maung Yi suggested that the study should identify areas for capacity building for the members which are still technically behind and cannot comply with the requirements of some WTO Agreements such as TBT and SPS, which are now internationally applied norms for the conduct of trade among nations.

49. Mr. Tunky Ariwibowo proposed the inclusion of institutional mechanisms, such as a dispute settlement process, in the study.

50. The Task Force noted that a consultant had been engaged to assist the Chair of the Task Force in preparing the report. The Task Force members agreed to provide their inputs (e.g. outcome of consultations, capacity building requirements, flexibility required by new members) to the consultant so that a compilation could be prepared expeditiously in preparation for the next meeting of the Task Force.

51. The detailed work programme, with schedules and identification of responsibilities, appears in **ANNEX 6**.

Agenda Item 7: Other Matters

52. Noting that some of the deliberations of the Task Force may be sensitive, the Chairman suggested that some consideration should be paid to issuing two separate reports – one for general circulation and one for circulation only to ministers or senior officials. The Task Force agreed to defer decision on the matter until the final report is available.

53. The Chairman raised the issue of whether a press release should be issued after every Task Force Meeting. Mr. Tim Fischer and Sir William Birch were of the view that the decision to establish the Task Force was public knowledge and was included in the Press Statement of the

Fourth AEM-CER Informal Consultations. In addition, making the public aware of the initiative was probably one way of building a constituency for the AFTA-CER FTA. Mr. Tunky Ariwibowo felt, however, that there was a risk to making a public announcement too early only to see some difficulties with the recommendations subsequently.

54 The Task Force agreed that the Chairman could issue a brief Press Statement on the Inception Meeting of the AFTA-CER Task Force which appears as ANNEX 7.

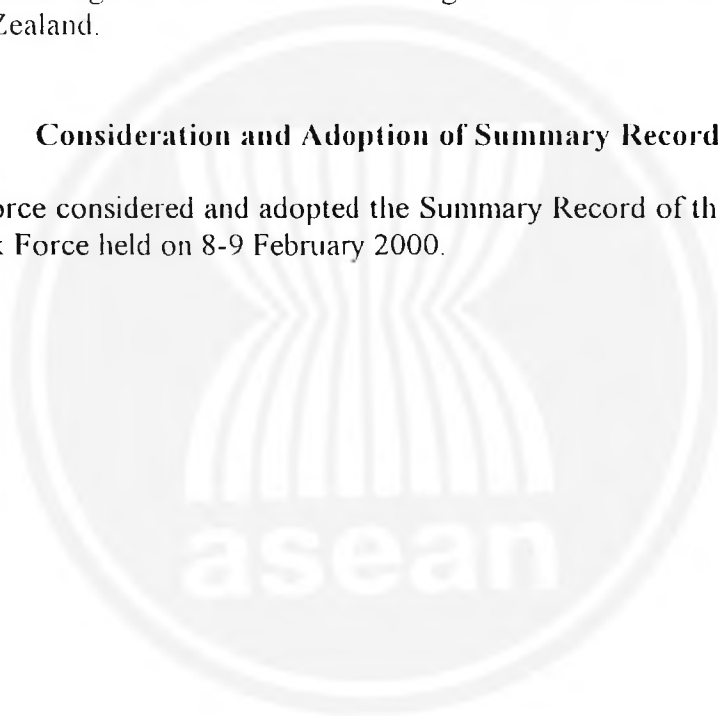
55 Noting the absence of a representative from Brunei Darussalam, the Task Force expressed the hope that the representative would be nominated soon to participate at the next meeting.

Agenda Item 8: Date and Venue of Next Meeting

56 The Task Force agreed that its next meeting would be held on 27-28 April 2000 in Queenstown, New Zealand.

Agenda Item 9: Consideration and Adoption of Summary Record

57 The Task Force considered and adopted the Summary Record of the Inception Meeting of the High Level Task Force held on 8-9 February 2000.





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR. 4-5 April 2000

ANNEX 20



Agenda Item 9.4.1

Highlights of the Second Meeting of the AMEICC HRD Working Group

1. The Second Meeting of the AMEICC HRD Working Group was held on 9-10 March 2000 in Phnom Penh, Cambodia.

ISSUES FOR SEOM's NOTATIONS

Directory of Centers of Excellence (COEs)

2. To proceed with the implementation of the COE strengthening activities, Japan requested ASEAN member countries to list two prioritized ones out of the COEs submitted to Japan for the first year.
3. JODC commissioned the Mitsubishi Research Institute to conduct a survey and fact-finding missions on the registered COEs of ASEAN member countries with the objectives to a) provide comparable information of registered COEs, and b) provide materials on which sub-groups of COEs will be formed to develop common training programs by holding workshops as proposed in Japan's "COE Comprehensive Program".

Program for Strengthening COEs and Networking of COEs

4. Japan has drawn up a "COE Comprehensive Program" that includes:
 - a) AOTS training program in Japan such as Organizers' Training Program, and Trainers' Training Program in which a maximum of six registered COEs of each ASEAN country can participate; and
 - b) AOTS overseas training program in which AOTS assists training programs of two prioritized COEs of each ASEAN country per year.
5. For the purpose of networking and sub-grouping of the COEs that would serve as a base for developing common training program and standardized certification system, these matters will be discussed at the meeting for promoting cooperation among HRD-related institutions which will be held in conjunction with the Organizers' Training Program scheduled for June 2000.

**SEOM may wish to note the progress made
in the strengthening of COEs in ASEAN member countries.**

HRD-Work Program on Services and CCI's Proposal

6. The ASEAN Secretariat presented the project concept on HRD Work Program for Japan's consideration and Japan responded positively to the project proposal and urged the ASEAN Secretariat and JODC to further develop a detailed program for consideration at the next AMEICC HRD Working Group meeting.

7. With regard to CCI's proposal submitted at the first meeting of the AMEICC HRD Working Group, the ASEAN Secretariat and JODC would consult each other as soon as possible.

SEOM may wish to note the above developments

ISSUES FOR SEOM's CONSIDERATION

Implementation of the Training Program

8. Japan informed ASEAN that she has completed the training program under Hashimoto Plan that would train 20,000 people from ASEAN (1997-2001) in March 1999-two years ahead of schedule. Japan further informed ASEAN that another 20,000 people from ASEAN countries were trained during the period between the Hashimoto and Obuchi Plan. Japan also informed ASEAN that the Obuchi Plan (1999-2001) to train 20,000 people from ASEAN countries is being implemented.

**SEOM may wish to consider requesting Japan
to provide details of the implementation of the above training program**

Project Proposals from ASEAN Countries

9. Following bilateral consultations between ASEAN member countries (Cambodia, Indonesia, Lao PDR, Philippines, Thailand and Viet Nam) that presented their COE-related project proposals for Japan's consideration during the course of the meeting, the following proposals were acceptable to Japan but subject to further consultations. In the case of Indonesia, the proposals are acceptable only if one program out of two for both the proposals is selected.

**SEOM may wish to consider requesting Japan
to accelerate the appraisal and implementation of the
above project proposals submitted by ASEAN member countries.**

OBSERVATIONS BY THE ASEAN SECRETARIAT

10. The following were observed:

- a. Japan was reluctant to make commitments or decisions during the meeting;
- b. In spite of the agreement that all the working group meetings under AMEICC should be co-chaired by ASEAN and Japan, Japan chose to become vice-chairman only;
- c. The ASEAN Secretariat was allowed to be involved in drafting the Chairman's Summary. However, the TOR has not been amended to include the ASEAN Secretariat as a member of the AMEICC HRD Working Group; and
- d. Japan could not provide satisfactory explanation on the implementation of the training program in paragraph 8.

SEOM may wish to note the above observations.

Attachments

1. Chairman's Summary
2. List of project proposals acceptable to Japan
3. List of COEs
4. Three types of 20,000 training

CHAIRMAN'S SUMMARY

The Second Meeting of the
Working Group Meeting on Human Resource Development under AMEICC
Phnom Penh, Cambodia, 9-10 March, 2000

1. The Second Meeting of the Working Group on Human Resource Development (HRD) was held in Phnom Penh, Cambodia on 9-10 March 2000. The Meeting was attended by government and private sector representatives from both ASEAN and Japan. The List of participants appears as **Annex 1**.
2. The Meeting was held in plenary. Bilateral consultations between AOTS, JODC and MITI and ASEAN member countries that submitted the project proposals were also held.
3. The Meeting was opened by H.E.Mr. Suy Sem, Minister of Industry, Mines and Energy, Kingdom of Cambodia extending his warmest welcome to all participants and emphasizing the importance of the activities of the AMEICC HRD-WG and his excellency stressed the needs for broad support from members on HRD for the economic development and the people's welfare and closed his remarks by wishing the success of the WG-Meeting.
4. The Meeting exchanged views on the following issues.

(a) Report on the overall activities of AMEICC and SEOM-MITI

5. JODC briefed the Meeting on the overall activities of AMEICC, including the 2nd AMEICC meeting held in Singapore on 2 October 1999 and ASEAN-Japan Joint Action Plan of AMEICC, and the discussion at the SEOM-MITI consultations held in Jakarta on 28 January 2000.

(b) Implementation of the Training Program

6. Japan briefed the Meeting on the implementation of training programs by AOTS and JODC. The Meeting welcomed the results of the program. Responding to the inquiry for clarification on the Japan's training programs, Japan explained that the Hashimoto plan, originally planned to train 20,000 trainees from ASEAN countries for 5 years (1997-2001), already trained more than 20,000 trainees by March 1999 two years ahead of schedule. Japan also explained that in December 1998 Japan decided that a program to train 10,000 persons would be implemented and that in April 1999 it commented an additional 10,000 participants can be implemented, and that the implementation of this training program was completed by September 1999. In addition, Japan explained a new 20,000 training program is being currently implemented. The timeline for the new proposal is from September 1999 to March 2001.

(c) Report on the Directory of COEs

7. JODC introduced the report on the Directory of COEs, explaining two objectives of this survey which are to a) provide comparable information of registered COEs, and b) provide materials on which sub-groups of COEs will be formed to develop common training programs by holding Workshops proposed in Japan's COEs Comprehensive Program. The Mitsubishi Research Institute, assigned by JODC, explained the result of their study on the state of registered COEs. JODC also asked the WG members to confirm the list of registered COEs that appears as **Annex 2** and to list out two prioritized COEs for the first year. Responding to this request, some member countries, including Brunei, Malaysia and Lao PDR, requested the amendment of the list of COEs. Also, Thailand raised the issue of how to choose COEs, in particular two prioritized COEs. The Meeting agreed to make a necessary change on the list of COEs and to further improve the Directory for strengthening COEs. For the purpose, the Meeting agreed that member countries submit comments on the list and the Directory of COEs to JODC (AMEICC Secretariat). ASEAN member countries requested the Mitsubishi Research Institute to also include the evaluation and recommendations to the report of the survey and fact-finding mission conducted by its representative.

(d) Japan's Program for Strengthening COEs and their networking

8. Japan briefed the Meeting on the detail of its "COE Comprehensive Program" that they introduced at the 1st HRD-WG Meeting. Responding to some ASEAN members' inquiries, Japan explained that the Program includes a) AOTS training program in Japan, such as Organizers' Training Program and Trainers' Training Program, in which all registered COEs up to maximum six in each ASEAN country can participate and b) AOTS overseas training program in which AOTS assists training programs of two prioritized COEs of each country per year, which each ASEAN country has been requested to submit project proposals to the Secretariat. The Meeting shared the view that each ASEAN country has a responsibility to nominate all registered as well as prioritized COEs, which should be models of HRD-related institutions of ASEAN countries.
9. Regarding networking of COEs and other HRD-institutions, the Meeting agreed that all members make comments or inputs on how to categorize COEs and which COEs fall into each categories for the purpose of sub-grouping of COEs which is a base of developing Common Training Program and standardized certification system. This will be discussed at Meeting for Promoting Cooperation among HRD-related Institutions (HRD-Networking Meeting), which will be held in conjunction with the Organizers' Training Program to be held June 2000. The Meeting agreed that the forming of the sub-groupings would be discussed and finalized at next HRD-WG Meeting.

(e) Project Proposals from ASEAN Countries

10. ASEAN countries presented the outline of their project proposals of prioritized COEs. The Meeting agreed to have bilateral discussion between Japan and ASEAN countries which have submitted project proposals. In this connection, Cambodia, Indonesia, Lao PDR, the Philippines, Thailand and Viet Nam had bilateral discussions with Japan during the course of the Meeting. The Meeting noted the results of bilateral discussions. The Meeting agreed that further bilateral consultations would be held for the early realization of the projects. Malaysia and Myanmar informed Japan that they would submit their proposals to JODC within two weeks.
11. ASEAN countries requested Japan to provide substantial assistance for the implementation of project proposals. Japan responded that it would assist ASEAN countries' projects within the limit of the budget.

(f) HRD-Work Programme on Services

12. ASEAN Secretariat presented the outline of the project concept on HRD Work Programme on services. The Meeting considered and responded positively to the project concept and urged ASEAN Secretariat and JODC to further develop the detail of the programme for consideration of the HRD-WG. To enhance language proficiency of the personnel dealing with services matters, the Meeting suggested that English language shall also be included as one of the activities of the project proposal. With regard to CCI's proposal submitted during the first HRD-WG Meeting in Vientiane, Japan informed that ASEAN Secretariat and JODC would consult each other on this matter as soon as possible.

(g) Date and venue of next meeting

13. The Meeting accepted Philippines' offer to host the Third Meeting of HRD-WG to be held in Cebu City, Philippines, in the beginning of September 2000.
14. The Meeting expressed its appreciation to the Government of Cambodia for its warm hospitality and excellent work in supporting this meeting.

RESULTS OF INDIVIDUAL CONSULTATION

Each member country consulted with the Japanese side (AOTS, JODC, MITI) respectively concerning the project proposals for COEs. The results of consultations are as follows

CAMBODIA

1. Preah Kossamak Technical Vocational Education and Training Center

(Proposed Training Program)

Electronic Industry; Ordinary Type

(Preliminary Evaluation)

The concept is acceptable. However, further consultation is needed to develop the scheme of program.

2. Professional Secondary School of Business

(Proposed Training Program)

Business Management; Ordinary Type

(Preliminary Evaluation)

The concept is acceptable. However, further consultation is needed to develop the scheme of program.

INDONESIA

1. Indonesia Export Training Center in Jakarta

(Proposed Training Program)

Standard and Management; Third Country Type

(Preliminary Evaluation)

Acceptable if select one program out of two proposed programs.

2. ASTRA's Polytechnic of Manufacture

(Proposed Training Program)

Training of Trainers on Automotive; Ordinary Type

(Preliminary Evaluation)

Acceptable if select one program out of two proposed programs.

LAOS

1. The Department Youth-Child Development and Advocational Training Center of the Lao PRYU

(Proposed Training Program)

Food Processing; Ordinary Type

(Preliminary Execution)

The concept is acceptable.

However, further consultation is needed to development the details of program.

2. Center for Skill Development (HLSW)

(Proposed Training Program)

Swing Technology; Ordinary Type

(Preliminary Evaluation)

The concept is acceptable.

However, further consultation is needed to development the details of program.

PHILIPPINES

1. Philippines Trade Training Center (PTTC)

(Proposed Training Program)

Trainer's Training for Trade Promotion; Third Country Type

(Preliminary Evaluation)

Acceptable.

The number of participants should be decided. 8 more detailed training programs be submitted.

2. The Center for Skill Development, Department of Labor, Ministry of Labor and Social Welfare

(Proposed Training Program)

Skills Standard and Certification for CLMV; Third Country Training

(Preliminary Evaluation)

Acceptable.

Further consultation is needed to development the detail of program.

THAILAND

1. Department of Skill Development, Ministry of Labor and Social Welfare

(Proposed Training Program)

Study Tour in Japan.

(Preliminary Evaluation)

Further consultation is needed.

2. Mekong Region Law Center (MRLC)

(Proposed Training Program)

3-week Law-Related International Training; Third Country Type

(Preliminary Evaluation)

Acceptable.

Lecturer's list should be consulted.

VIETNAM

1. Hue Industrial Secondary School

(Proposed Training Program)

Automation; Ordinary Type

(Preliminary Evaluation)

Further consultation is needed.

2. Ho Chi Minh Food Industries Skill Development Center

(Proposed Training Program)

Trainer Food Processing; Third Country Type

(Preliminary Evaluation)

Acceptable.

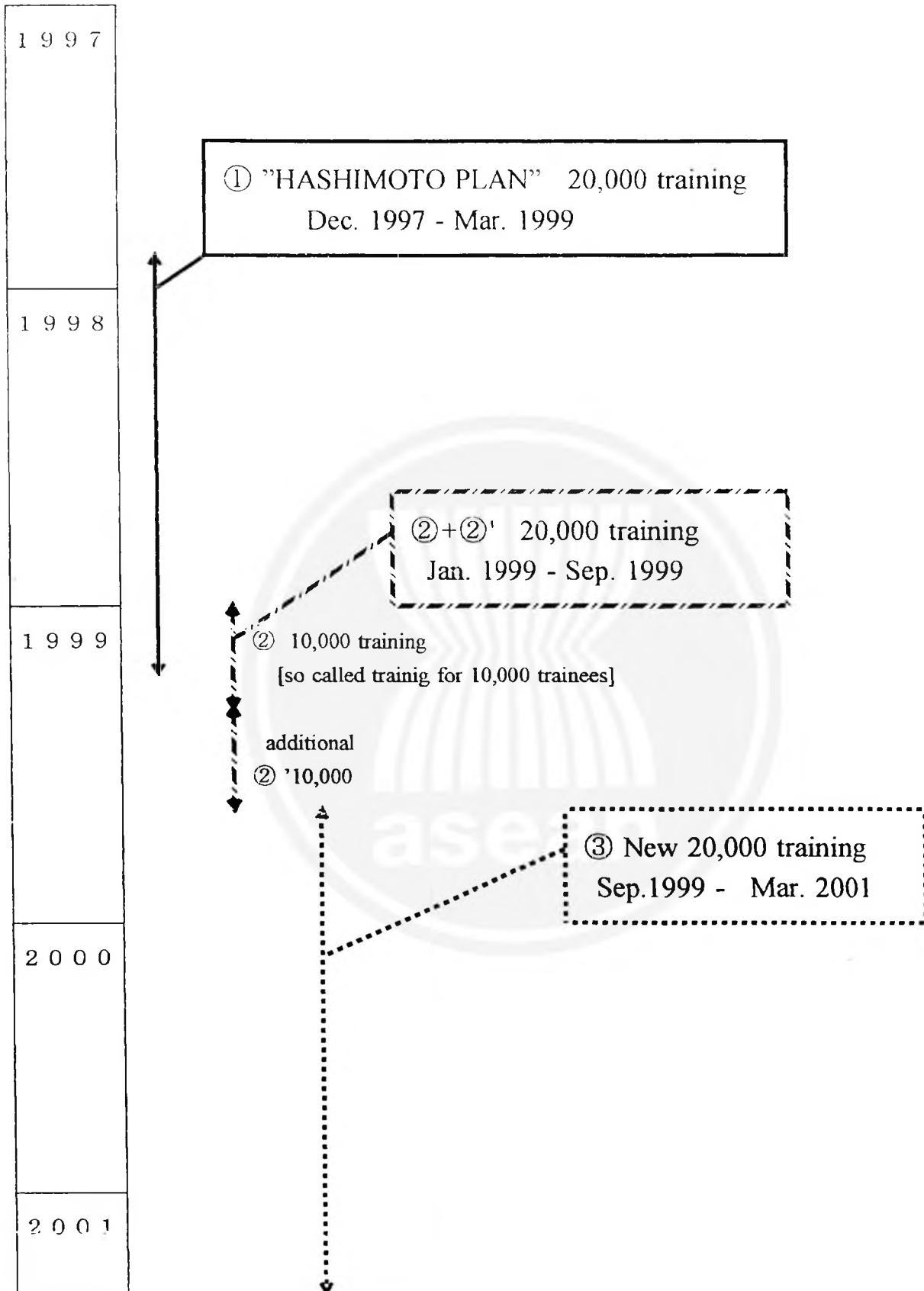
However, further consultation is needed to development the detail of program.

List of Centers of Excellence

Brunei Darussalam	
	Resource and Standard Centre, MIPR
	Jefri Bolkiah College of Engineering, Kuala Belait
	Institut Teknologi Brunei (Brunei Institute of Technology)
	Maktab Teknik Sultan Saiful Rijal (Sultan Saiful Rijal Technical College)
	Universiti Brunei Darussalam
Cambodia	
*	Preah Kosomak Technical Vocational Education and Training Center
*	Professional Secondary School of Business
Indonesia	
*	Indonesia Export Training Center, in Jakarta
	Cellulose Industry Research and Development Agency, in Bandung
	Textiles Industry Research and Development Agency, in Bandung
	Ceramic Industry Research and Development Agency, in Bandung
*	ASTRA'S Polytechnic of Manufacture
Lao PDR	
*	The Center for Skill Development, Department of Labour, Ministry of Labour and Social Welfare
*	Lao Youth Union
	Teacher Training School, Department of University and Technical, Ministry of Education
	Pakpasak Technical School, Ministry of Education
	Technical School KH3, Ministry of Education
Malaysia	
*	Pahaing Skills Development Centre (PSDC)
*	Terengganu Skills Development Centre (TESDEC)
	The National Institute of Department Malaysia (INTAN)
Myanmar	
	Yangon Technology University
	(One of the Institutions under the Ministry of Education)
Philippines	
*	Philippine Trade Training Center (PTTC)
*	Technical Education and Skills Development Authority (TESDA)
	Dualtech Training Center Foundation, INC. (DTC)
	Technological University of The Philippines (TUP)
	Meralco Foundation Institute, Inc. (MFI)
	Center for Industrial Technology and Enterprise (CITE)
Singapore	
Thailand	
*	Department of Skill Development (SDS), Ministry of Labour and Social Welfare
*	Mekong Region Law Center (MRLC)
	Department of Industrial Promotion (DIP)
	Mekong Institute (MI), Khon Kaen University
	Prince Chandaburi Narunath Institute (PCNI), Ministry of Commerce
	Technology Promotion Association (Thailand-Japan) (TPA)
Viet Nam	
*	Hue Industrial Secondary School
*	HO CHI MINH Food Industries Skill Development Center

The marked [*] COEs are registered as prioritized for the first year.

Three Types of 20,000 training





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 21



Agenda Item 9.4.2

Highlights of the Second Meeting of the AMEICC Working Group on the West-East Corridor Development

The Second Meeting of the AMEICC Working Group on the West-East Corridor (WEC) Development was held on 22 March 2000 in Hue, Viet Nam.

2. The Meeting was attended by both ASEAN member countries (Cambodia, Lao PDR, Myanmar, Singapore) and Japan. Representatives from ADB, ASEAN Secretariat, UNESCAP, UNDP and UNIDO were also in attendance.

ISSUES FOR SEOM's NOTATIONS

International Organisations Activities Related to WEC Development

3. ADB briefed the Meeting on the outcomes of its 9th Meeting of the Greater Mekong Sub-region Ministerial Conference held in Manila, Philippines on 13 January 2000. ADB also briefed the Meeting on the progress made in its pre-investment study for the East-West Economic Corridor.

4. UNESCAP touch upon its work programme on the "Plan on Human Resource Development in the Mekong Basin" while JODC briefed on the outcomes of the ASEAN-Japan Summit, held back-to-back with UNCTAD X, in Bangkok, Thailand on 12 February 2000.

Geographical Coverage of WEC

5. The AMEICC Secretariat had been requested to come up with a draft proposal of the geographical coverage of WEC based on the presentations by Cambodia, Lao PDR, Myanmar, Thailand and Viet Nam (CLMTV) and also the deliberations of the Meeting on these presentations.

Work Programme for WEC

6. CLMTV presented several project proposals for the development of WEC. The Meeting requested CLMTV to further revise their proposals based on their preliminary discussions. The Meeting also requested the AMEICC Secretariat to prepare a matrix of the project proposals submitted by member countries.

7. Several views were exchanged on the criteria for selecting project proposals for the development of WEC. Some were of the view that the project should benefit as many WEC countries as possible, contribute to the economic and industrial development of potential donors and deal with soft infrastructure. Others were of the view that the projects should have national priority and should cover more than one country.

Date and Venue of Next Meeting

8. The Third Meeting of the AMEICC Working Group on WEC Development would be held in Da Nang, Viet Nam on the week of 12 June 2000.

SEOM may wish to note the above developments



CO-CHAIR SUMMARY

The Second Meeting of the Working Group
on the West-East Corridor Development WEC-WG under AMEICC
Hue, Viet Nam, 22 March, 2000

1. The Second Meeting of the Working Group on the West-East Corridor Development (WEC-WG) under AEM-MITI Economic and Industrial Cooperation Committee (AMEICC) was held in Hue, Viet Nam on 22 March 2000. The Meeting was attended by representatives from both ASEAN (Cambodia, Lao PDR, Myanmar, Singapore, Thailand, Viet Nam and the ASEAN Secretariat) and Japan. Representatives from ADB, UNESCAP, UNDP and UNIDO were also in attendance. The list of participants appears as **Annex**.
2. At the opening of the Meeting, Mr. Nguyen Van Me, Chairman of the People's Committee of Thua Thien Hue Province, Viet Nam, gave his welcome remarks to the participants of the Meeting. In his welcome remarks, Mr. Nguyen Van Me emphasized the importance of WEC-WG activities for development of the West-East Corridor (WEC) that has inter-region potential with the accumulation of the advantageous conditions of nature and topography and the Viet Nam's central provinces will play an important role in execution of the development of WEC.
3. Dr. Duong Duc Ung from Ministry of Planning and Investment, Viet Nam, and Mr. Bunro Shiozawa from Ministry of International Trade and Industry (MITI), Japan, co-chaired the Meeting.
4. The Meeting exchanged views on the following issues

(a) On-going activities of International Organizations related to WEC development

5. The Asian Development Bank (ADB) briefed the Meeting on the 9th GMS Ministerial Conference held in Manila on 13 January 2000 and presented an update on the progress of the ongoing ADB-assisted Pre-Investment Study for the East-West Economic Corridor. The Meeting noted that the Conference reviewed the progress of priority subregional initiatives and also agreed on the future direction of GMS cooperation. The ADB informed the Meeting that the draft final report of the Pre-Investment Study will be provided to the concerned Governments in late May 2000. The Meeting was informed that ADB also is planning to have Workshops to discuss the draft final report in June and July 2000.
6. UNESCAP highlighted to the Meeting its program (Hi-Fi) Plan on Human Resource Development in the Mekong Basin. The Meeting noted UNESCAP's activities and the importance of coordination with UNESCAP on HRD.
7. AMEICC Secretariat (JODC) briefed the Meeting on the discussion relating to the WEC development held at SEOM- MITI Consultation held in Jakarta on 28 January

2000. The Secretariat also informed the Meeting that at the ASEAN-Japan Summit meeting held in Bangkok on 12 February 2000, the leaders showed interest on WEC's activities and noted the need for better coordination in the development of the Mekong Region.

(b) Presentation and discussion on Identification of geographical coverage by WEC

8. The Meeting had a discussion regarding geographical coverage that will be a base for a future Work Programme of the Meeting. Thailand presented to the Meeting a general concept of the geographical coverage of the WEC.

Cambodia, Lao PDR, Myanmar and Viet Nam gave their presentations on it. The Meeting noted that whilst geographical coverage should be defined, it should not be rigid and there should be a flexible approach.

The Meeting also requested the Secretariat to prepare a draft proposal of geographical coverage by the next meeting for consideration, taking into account those views and opinions expressed in this Meeting.

(c) Presentation and discussion on Project Proposals and a draft Working Program

9. Cambodia, Lao PDR, Myanmar, Thailand and Viet Nam presented their proposals for the WEC development. On each proposal, the Meeting exchanged their preliminary comments in order to have a better understanding of each proposal. The Meeting appreciated the efforts made by the Secretariat in its development of a summary matrix for the proposed projects. The Meeting identified the value of having such a summary matrix as it provides a bird's eye view of all proposed projects. Having had discussions on those projects, the Meeting agreed that each country should collect additional information and make necessary revisions on the projects. Revised projects must be sent to the Secretariat by the end of April 2000. The Secretariat was requested to distribute the revised summary matrix based on suggestions taken at the Meeting to the members of the Meeting in advance of the next Meeting for further consideration.

10. The Meeting exchanged views on criteria for selecting projects. As one of the potential donors, Japan presented its view on features of a project to which MITI gives priority in offering its assistance: that is, a project that benefits as many WEC countries as possible, contributes to economic and industrial development of the potential donors and is a soft related project. ADB suggested that consistent with the agreement reached at the first meeting of the WEC-WG, projects should be especially focused on software infrastructure development and that efforts should be made to ensure that projects selected have subregional implications, in line with the Corridor concept. UNDP also suggested that one of the most important criteria is that projects should bring benefits to more than one WEC country. Viet Nam suggested two criteria, namely that projects should have national priority and should cover more than one country.

11. The Meeting agreed that a draft work program and pilot projects will be discussed at the next meeting based on the revised project proposals and the revised summary matrix mentioned above, and the outcome of on-going Pre-Investment Study of ADB. For this, the Meeting requested ADB to provide the outcome of the Pre-Investment Study when it is available as agreed at the first Meeting.

(c) Date and venue of next meeting

12. The Meeting agreed that the next meeting would be held in Da Nang during the week of 12 June 2000.
13. The Meeting expressed its appreciation to the Government of Viet Nam as well as the Thua Thien Hue Province of Viet Nam for its hospitality and excellent arrangements made for the Meeting.



**THE 2nd WORKING GROUP MEETING ON
THE WEST-EAST CORRIDOR DEVELOPMENT UNDER AMEICC
22 MARCH 2000, HUE, VIETNAM**

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THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 22



**PROPOSED ACTION PLAN
ON THE
“Development of ASEAN Style”**

(A Project under the Joint Action Plan endorsed by the ASEAN Economic Ministers and the MITI-Japan)

Phase I CREATION OF THE ASEAN DESIGN COUNCIL

Proposed Time Frame: 4 months (June-September 2000)

Activities:

1. Appointment of Design Director and the ASEAN Design Council Secretariat

The ASEAN Design Council must be led by a Design Director tasked to oversee the implementation of the project. The Design Director is expected to provide guidance and inspiration to ensure unity in concept.

The Design Director will be supported by a Secretariat responsible for coordination and documentation.

OUTPUT: Design Director appointed by ASEAN

2. Identification of participating ASEAN designers/Project Orientation

Each country will nominate three designers, to be mentioned hereafter as **ASEAN Designers**. These designers will represent the following sectors: gifts and houseware, apparel and home furnishings.

Whenever necessary, the Design Director will conduct visits to each ASEAN country to explain the project, and assist in identifying probable ASEAN Designers, taking into account the following criteria:

Criteria for Nominating ASEAN Designers

- The designer must be a strong believer in the ASEAN spirit, and committed to pursuing an ASEAN style.
- The designer must be a natural-born citizen of any ASEAN country.
- The designer must be reputable and well known.

2. Showcase of country-styles

The ASEAN designers shall be asked to undertake merchandising and product selection characteristic and representative of the country's style and design sensibility.

The ASEAN designers' works will be featured in a mini-exhibit which shall be a showcase of country styles. Designers from ASEAN shall be invited to attend the exhibit.

Simultaneous to this showcase is a Design Forum designed for ASEAN designers to:

- Be familiar with the varied influences and resources of other ASEAN member countries
- Facilitate information exchange on insights learned during the environmental scanning activity
- Explain the rationale and spirit behind the country-designs

OUTPUTS: *Mini-exhibit cum Design Forum*

Proposed Venue: Japan

Target Date: March 2001

3. Developing the ASEAN Style: Identifying influences

The showcase of country styles, representing the bodies of work of each ASEAN designer, will be used in the evolution of an ASEAN style. The mini-exhibition defining and representing each ASEAN member country's individual style will be a venue for the ASEAN designers to re-conceptualize—with the goal of synthesizing the styles by the different ASEAN member countries into one lifestyle setting.

ASEAN designers will be guided by the Design Director in defining the ASEAN Style which must represent the different influences, sensibilities, traditions, and capabilities found in the region.

The output of this synergy will be presented in an exhibition, which will be a cross-cultural, total-lifestyle presentation highlighting the mixed influence of design within the region and its adaptation to the demands and requirements of modern lifestyle.

A design forum will be organized in conjunction with the exhibition to evaluate the bodies of work and discuss the direction of the project and

i.e. Budji Layug for
ASEAN + Style

This promotion of the ASEAN designer is an integral element in this program to finally give recognition to the creative talent of the region. ASEAN designers are as capable and as creative as their Western counterparts. Unfortunately, they have not been given the vehicle or the platform to get recognized in the international design arena. ASEAN Style will provide that opportunity to the ASEAN designers.

The ASEAN Design Council through its officers will be tasked with the responsibility of maintaining its standards and keeping its operations within the vision for which it was created. It will also deliberate on the acceptance of a collection into its body of works worthy of its label.

The ASEAN Style label will give the region and its people from which it was derived and inspired the opportunity to lay claim to a design sensibility and philosophy that has influenced many designers the world over.

2. Official Launching of the ASEAN Collection

The ASEAN collection will be presented in the international market via trade fair participation in international fairs in Japan, such as the International Furniture Fair Tokyo (IFFT), Tokyo International Gift Show (TIGS).

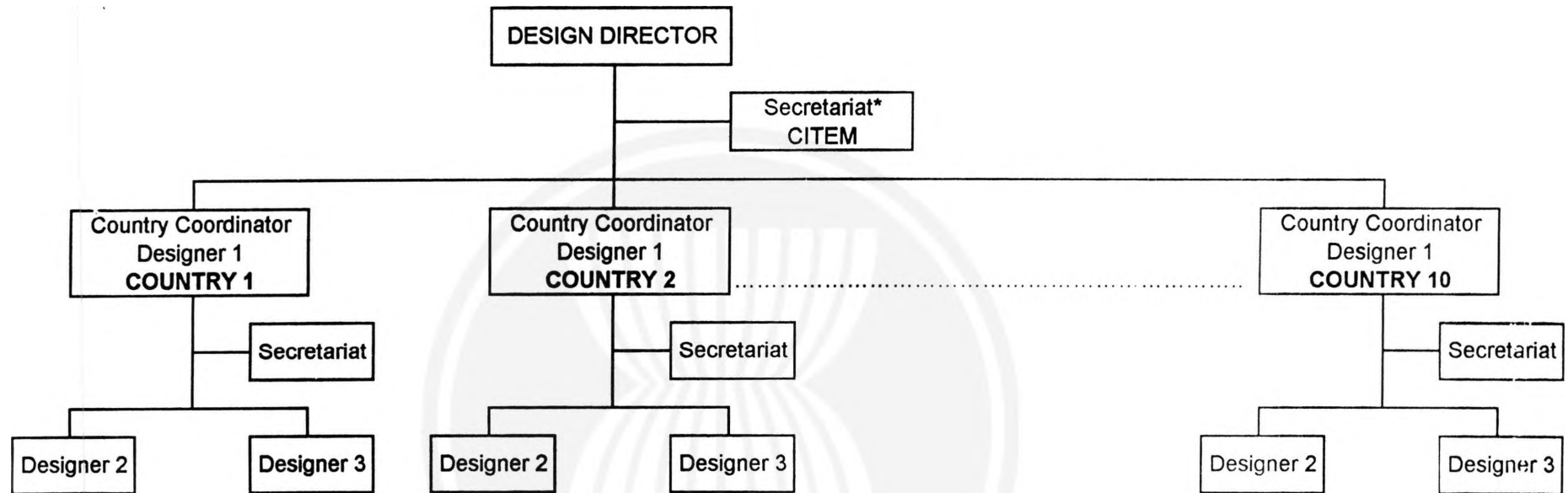
The official launch will be complemented by a coffee table book to include:

- Definition of ASEAN Style;
- Feature and Images of ASEAN Design Influences and Elements; and
- Images Presented and Proposed design concepts/interpretation.

OUTPUTS: Product collection, mock-up exhibit, ASEAN brand, Participation in a major international trade fair

Time Frame: Tokyo International Gift Show	August 2003
International Furniture Fair Tokyo	November 2003

ORGANIZATION OF PROPOSED DESIGN COUNCIL



DESIGN COUNCIL STRUCTURE

NATURE : AD HOC - 3 YEAR PROGRAM
 : EACH COUNTRY WILL BE GIVEN LEE WAY TO DEFINE STRUCTURE/ORGANIZATION WITH OPTION TO MAKE IT PERMANENT
 : 3 DESIGNERS REPRESENTING DIFFERENT DISCIPLINES (HOME FURNISHING; GIFTS, TOYS AND HOUSEWARE; AND APPAREL)

* SECRETARIAT: : PROJECT IMPLEMENTOR
 : ADMINISTRATIVE FUNCTION
 : TO ACHIEVE OBJECTIVES

Timeline for Development of ASEAN Style

TIME FRAME	2000								2001								2002								2003																		
	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	
Phase I - Creation of the ASEAN Design Council																																											
Appointment of Design Director & ASEAN design council secretariate																																											
Identification of participating ASEAN designers/Project Orientation																																											
Organizational Meeting																																											
Phase II - Environmental Scanning/ Scanning of Resources																																											
Research/Resource scanning																																											
Showcase of country-styles																																											
Developing the ASEAN Style: identifying influences																																											
Phase III - Development of the ASEAN Collection																																											
Development of ASEAN Product Line (ASEAN Collection)																																											
Phase IV - Promotion and Marketing																																											
ASEAN Branding Program																																											
Official Launching of the ASEAN Collection																																											
Phase V - Evaluation																																											
Evaluation																																											

Timeline-AsianStyle/mjpFolder/ed -



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
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Vientiane, Lao PDR, 4-5 April 2000

ANNEX 23



Agenda Item 9.5

**Highlights of the ASEAN-Pakistan Joint Business Council and
ASEAN-Pakistan Trade Facilitation Workshop**

The First Meeting of the ASEAN-Pakistan Joint Business Council and ASEAN-Pakistan Trade Facilitation Workshop were held on 21-22 February 2000 in Karachi, Pakistan.

2. The Joint Business Council Meeting was attended by about 60 representatives of Chambers of Commerce and Industry and government officials from Indonesia, Lao PDR, Malaysia, Philippines, Singapore, Thailand, and Pakistan. The workshop was attended by about 200 participants from Pakistan.

3. The followings are highlights for SEOM's notation:

A. ASEAN-Pakistan Joint Business Council

4. During the Meeting, ASEAN and Pakistan exchanged views on trade and trade related issues focused on the following points: trade imbalance between Pakistan and ASEAN countries (i.e. in 1997-98, ASEAN exported US\$ 1.6 billions to Pakistan and imported only US\$ 263.4 million from Pakistan); potential areas for mutually beneficial trade (i.e. rice & fruits, pharmaceutical products, carpet and cars); non-discriminatory treatment; use of regional currency instead of US Dollars for trade between ASEAN and Pakistan; and Pakistan's current visa regulations on ASEAN nationals (i.e. length of stay, type of visa and place of issue).

5. The following recommendations were arrived at the end of the Meeting to facilitate mutually beneficial trade:

- i) to exchange relevant information on trade, customs procedures and taxation structures;
- ii) to organize trade delegation visits to explore the opportunities for business cooperation,
- iii) to organise trade fairs and exhibitions;
- iv) to hold seminars/workshops; and
- v) to ease visa restrictions (i.e. grant visas to ASEAN businessmen at the airport with the certificate of recommendation issued by respective National Chambers of Commerce).

6. The President of Federation of Pakistan Chamber of Commerce, Mr. Fazal-ur-Rehman Dittu expressed that they are eager to see Pakistan graduate from the present status of Sectoral Dialogue Partner to full Dialogue Partner.

7. It was decided to formulate an Action Plan for Cooperation between Pakistan and ASEAN in Trade, Investment and Industry. The FPCCI will request the Commercial Counsellors

of Pakistan in ASEAN Countries to prepare an Action Plan in coordination with the ASEAN Secretariat.

B. Trade Facilitation Workshop

8 The following were the main issues included in the countries' presentations as well as in the ASEAN Secretariat's presentation: Pakistan's current trade policy that allows entry of a large number of freely importable items. Any importer can go to the bank and open L/Cs without import license from a government agency. Pakistan stated that her maximum tariff was gradually reduced to 35% in 1999 from 100-150% previously. In Pakistan lower tariffs at 25%, 15% and 10% are applicable on imports of machinery, raw materials and intermediate goods. Pakistan also informed that she has no "non-tariff barriers" except the standard international practice of applying health and quarantine standards. Representatives of Indonesia, Lao PDR, Malaysia, Singapore and Thailand explained their trade policy including their commitments to WTO and ASEAN. The ASEAN Secretariat explained the regional trade policy focused on ASEAN Free Trade Area which is inline with the WTO framework.

9 In his presentation, H.E. Mr. Aftab Hussain Syed, Additional Secretary, Ministry of Foreign Affairs of Pakistan highlighted the political and economic relationship between Pakistan and ASEAN as well as Pakistan's preparation for full dialogue partnership with ASEAN. Subsequently, he requested the ASEAN Secretariat's representative to convey the message of Pakistan's desire to become the "Full Dialogue Partner of ASEAN" to the Secretary-General of ASEAN.

10 The workshop considered that following actions to be implemented for enhancing trade and investment within ASEAN countries and Pakistan:

- i) improve information dissemination;
- ii) exchange visits of ASEAN businessmen and Pakistani counterparts;
- iii) establish an exhibition centre;
- iv) improve government regulations;
- v) provide financial support if needed (i.e. through Islamic Commercial bank);
- vi) look into possible areas for trade including non-traditional trading sectors, i.e. tourism, agriculture; and
- vii) improve the awareness and knowledge of market.

11 The Second Meeting of the APJBC and next Trade Facilitation Workshop will be held in the Philippines in April 2001.

SEOM may wish to note the above developments.

Attachment

Report of the First Meeting of the ASEAN-Pakistan Joint Business Council (APJBC).

REPORT OF THE FIRST MEETING OF
ASEAN-PAKISTAN JOINT BUSINESS COUNCIL (APJBC)
(FEBRUARY 21, 2000 AT FEDERATION HOUSE, KARACHI)

FIRST PLENARY SESSION :

The Meeting was chaired jointly by Syed Amin Aljeffri, Chairman, ASEAN-Pakistan Business Council (APBC) and Honorary Secretary General, ASEAN CCI and Mr. Ilyas Ahmed Bilour, Chairman, Pakistan-ASEAN Business Council (PABC) and Immediate Past President FPCCI.

The list of the participants is enclosed as annexure-1.

1) ADOPTION OF THE AGENDA :

The Agenda for the first meeting of ASEAN-Pakistan Joint Business Council (APJBC) was unanimously approved by the Council. The Agenda is enclosed as Annexure-2.

2) APPOINTMENT OF THE DRAFTING COMMITTEE :

Syed Amin Aljeffri, Chairman APBC announced the names of the following members from the side of ASEAN CCI :

- a) Ms. Chong Yen Wan
Director
ASEAN CCI Secretariat
- b) Mr. Khazali Bin Ibrahim
Executive Director
Malay Chamber of Commerce and Industry
Kuala Lumpur, Malaysia.

Mr. Ilyas Ahmed Bilour, Chairman PABC announced the names of the following members for Drafting Committee to represent the FPCCI :

- a) Engr. Wazirzada M. Idrees Khan
Life Member FPCCI
- b) Mr. Bashir Ahmed
Former Vice President FPCCI
and Chairman PIFFC
- c) Engr. M. A. Jabbar
Member Managing Committee FPCCI

pg...2

3) STATEMENTS ON "ASEAN - PAKISTAN BUSINESS COOPERATION" BY THE NATIONAL CHAIRMEN OF APBC FROM THE FOLLOWING ASEAN COUNTRIES

a) MALAYSIA :

Syed Amin Aljeffri in his opening statement termed the relations between Pakistan and Malaysia as deep-rooted and said that both the countries are engaged in meaningful cooperation in diverse fields. He informed that Malaysian companies like Petronas and Tenaga Nasional are already working in Pakistan in the area of oil and gas exploration and power generation, respectively.

He remarked that the Malaysian companies have also shown keen interest in investment in Pakistan in other fields such as pharmaceuticals, palm oil refining and housing. He further stated that the frequent high level exchanges between the two countries was the hallmark of bilateral relations, thus leading to signing of several MOUs and agreements on investment, trade, scientific and cultural co-operation. He added that this gave impetus to the existing good relations and strengthened economic interaction between the two countries. He pointed out that Pakistan being the largest buyer of 1.4 million tonnes of palm oil, Malaysia wanted to help Pakistan in offsetting the trade surplus. He said that Malaysian companies would be happy to help reduce Pakistan's imports by producing them in Pakistan. He called for identifying products that Malaysia could buy from Pakistan and perhaps help in processing them for export purposes. He stated that Malaysia recognises the key role of Pakistan as a transit and supply point for trade with the newly independent states of Central Asia and as a bridge with South Asia and the Gulf. The copy of statement by Syed Amin Aljeffri is enclosed herewith as Annexure-3.

Mr. Bashir Janmohammad, while commenting on the statement by Syed Amin Aljeffri, said that he had been dealing with Malaysia since the last 35 years and he is fully aware of the desire on both the sides to increase the bilateral trade. He complained that despite the fact that Pakistan was importing 1.4 million tonnes of palm oil as compared to only half a million tonnes by India, the Malaysian Government has given tender to India and Pakistan was asked to wait in the line. He regretted such a discriminatory attitude with Pakistan and urged for giving advantage to Pakistan considering its traditional partner. He welcomed investments from Pernoas and Felda for production of palm oil in Pakistan. He said that China is the biggest buyer of Pakistani Kinnoos which is of high quality but inspite of our best efforts we have not been successful to increase export of Kinnoos to Malaysia. He invited the attention of the leader of ASEAN CCI delegation that a trade delegation from Pakistan would be attending a Mango Festival in Malaysia this year. He added that trade imbalance can never remain for long and there exists good market for export of rice from Pakistan. He praised the efforts of the Pakistan Ambassador in promoting Pakistani products in Malaysia. He underlined the need for giving "preferential treatment" to Pakistan as being granted by Malaysia to the other ASEAN countries.

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Mr. Mahmood Ahmed, Vice President FPCCI while referring to the successful conclusion of Intechmart Pakistan 2000 in Lahore recently, said that the foreign investors are now very inquisitive about the huge trade gaps existing with Pakistan. He suggested that barter arrangements could be made to narrow down the trade imbalance with Malaysia and other ASEAN countries with whom Pakistan has negative trade balance.

Mr. Wajid Jawad, former Member Managing Committee FPCCI said that it would be in the interest of Malaysia if Pakistan continue to buy palm oil from them. He remarked that atleast Pakistan should be given a non-discriminatory treatment if not a preferential treatment. He pointed out that intra-ASEAN preferential arrangement provides disadvantages to Pakistan in increasing its exports to ASEAN countries. He suggested that Malaysia may consider a joint venture for developing technology for palm oil production in Pakistan. He also called for increasing export of rice to Malaysia.

Mr. Y. Bhg Dato Daud Daros from Malaysia termed lack of information as the main factor in increasing the bilateral trade. He said that there is no information which products could be purchased and which to be offered to Pakistan. He said that there was also no knowledge about the investment procedures and custom documentation in Pakistan. He informed that in Malaysia the Customs procedure are paperless. Responding to his query, Mr. Wajid Jawad informed that so far we have no paperless custom system in Pakistan but we are working in this direction. He informed that Pakistan offers full protection to the foreign investment that there is no restriction on repatriation of profits. He cited the example of ICCI and other multinational companies which are working in Pakistan successfully.

Mr. Syed Amin Aljeffri added that there was need for developing common understanding between the businessmen in the two countries. He informed that Malaysian have always been inclined towards the East Asian countries and the West for promoting its trade and now there is need to look towards Pakistan as well. He said that Pakistan offers great opportunities to Malaysia which needed to be explored. He informed that the motor car industry in Malaysia is growing and Malaysian cars have been exported to Mauritius. He pointed out that the foreign exchange rate between the two countries provided a useful mean to expand the bilateral trade as One Malaysian Ringett equals 15 Pak Ruppee as compared to 10 Indian Ruppee. He informed that now a direct flight operate between Karachi and Kaula Lumpur which would increase the flow of people and businessmen from both the countries.

Regarding the desire of Pakistan to achieve the status of Full Dialogue Partner of ASEAN, Syed Amin Aljeffri informed that he had several meetings with the Pakistani Ambassador in Kaula Lumpur who is vigorously pursuing this matter with the Malaysian Government.

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Mr. Bashir Janmohammad invited a trade delegation from Malaysia to visit Pakistan to explore the opportunities for business cooperation between the two countries. He pointed out that he had taken up with the Malaysian Government to grant 2 to 3 years Multiple Visa but this proposal was not favourably considered and Malaysian visa is issued at present for a maximum period of three months. On his proposal, it was agreed upon that both sides shall impress upon their respective Governments to grant atleast 2 years Multiple visa to the genuine businessmen of both countries.

b) INDONESIA :

The Indonesian Representative, Mr. Trihono Sastrohartono, in his statement outlined the economic recovery by his country after the financial crisis. He hoped that APJBC meeting will serve as a catalyst to forge an effective partnership in pursuing the development and prosperity. In order to increase the bilateral trade relations, he suggested to explore the possibility of setting up a special transaction mechanism to facilitate transaction of agreed commodities by using each other's currency through a clearing system handled by coordinating banks. A copy of statement by the Indonesian representative is enclosed as Annexure-4.

Mr. Wajid Jawad said that one advantage that Pakistan, Indonesia and Malaysia would have to trade amongst themselves was the facility of financing by the Islamic Development Bank. He suggested that we should utilise the facility of long term financing to promote our mutual trade relations. He informed that last year rice was exported to Indonesia and similarly there existed good scope for other commodities if Pakistan is accorded fair treatment. Mr. Wajid Jawad also called for easing visa restrictions between Pakistan and the ASEAN countries.

Engr. Wazirzada Idrees Khan and Mr. Bashir Ahmed underscored the need for developing mutual understanding between the business representatives of Pakistan and ASEAN countries to promote trade.

c) SINGAPORE :

Mr. A. G. Mohammed Mustapha in his statement suggested that to reduce trade imbalances, Pakistan businessmen should actively participate in trade fairs and other promotional activities in ASEAN countries, specially Singapore as his country was the window to the world market. He pointed out there is good market for Pakistani Irri-6, Irri-9 and Basmati rice in ASEAN countries although they mostly favour glutinous rice imported from Japan. He called upon the Pakistani exporters to redouble their efforts to market their products as it is not an impossible task. He cited the example of Guard Basmati Rice from Pakistan which is consumed in Singapore and also served to passenger of Singapore Airline. He informed that recently 40 containers of Irri-9 rice have been imported by Singapore from India. A copy of his statement is enclosed herewith as Annexure-5.

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Engr. Wazirzada Idrees Khan informed that there is limited production of glutinous rice in Pakistan which can be exported. Mr. Mahmood Ahmed at this point informed that it was his experience that the Singaporean prefer Indian goods over Pakistani goods and it was a major factor hindering increase of exports from Pakistan. Mr. Mustapha remarked that Singapore is a quality conscious market and Pakistani exporters should give more focus on marketing. He added that there are 16 percent Muslims as against only 5 percent Hindus in Singapore.

d) LAOS :

Mr. Khamphanh Sengthongkham, representative of Laos, in his statement briefed about the activities of the Lao National Chamber of Commerce and Industry. He said that his country has no diplomatic relations with Pakistan and he had to obtain visa from Thailand. He invited the Pakistani businessmen to visit Laos to explore the possibilities of bilateral trade cooperation. He informed that the major export of Laos is textile and ready made garments. Mr. Ilyas Ahmed Bilour accepted the invitation and requested him to provide more details in this regard. A copy of the statement by the Laos representative is enclosed as Annexure-6.

Syed Amin Aljeffri suggested at this point that the Laos representative should approach his Government to appoint Honorary Consul General of Laos People's Republic in Pakistan and vice versa. He suggested that the nomination of Mr. Ilyas Ahmed Bilour may be considered. Mr. Ilyas Ahmed Bilour suggested that both sides should contact their respective Governments in this respect. Mr. Mahmood Ahmed said that the Pakistani Government is contemplating to grant entry visas to the foreign businessmen at the airports. Mr. Ilyas Bilour suggested that the National Chambers of ASEAN should avail of this opportunity and issue certificate of recommendation to their genuine businessmen so that they are issued entry visas.

f) PHILIPPINE :

Mr. Angel C. Montes, representative of the Philippines informed in his statement that efforts are underway to establish Pakistan-Philippines Joint Business Council. It was pointed out that there was a proposal for the visit of FPCCI delegation to Philippines but no invitation has been extended to FPCCI from the other side. A copy of the paper presented by the Philippine representative is enclosed as Annexure-7.

pg...6

4. SUMMING UP OF STATEMENTS MADE BY NATIONAL CHAIRMEN OF APBC
BY SYED AMIN ALJEFFRI, CHAIRMAN APBC AND HON. SG ASEAN CCI

While summing up the discussions, Syed Amin Aljeffri said that meaningful discussion was held in the plenary session. He said that several suggestions were put forward during the meeting which needed to be removed for promoting trade between Pakistan and the ASEAN countries. He said that Pakistan can look into the possibility of establishing a carpet industry in Malaysia to take advantage of competitive labour which could also cater to the requirements of the neighbouring markets. He endorsed the proposal by the Pakistani side to utilise the financing by the IDB and said that he would look into it.

Syed Amin Aljeffri suggested that Pakistan and ASEAN countries should consider to make transaction in regional currencies instead of US Dollars which would boost the trade. He also underlined the need for organising visits of business delegations from ASEAN countries to Pakistan and most importantly people-to-people contact as it was the base for increasing interaction between countries. He remarked that ASEAN is the window for Pakistani products. He said that trade imbalance being faced by Pakistan with ASEAN countries could be surmounted by increased interaction between the businessmen, easing of visa restriction. He also suggested that there should be regular exchange of information on trade, customs procedure, taxation structure etc to promote trade between Pakistan and the ASEAN countries.

SECOND PLENARY SESSION

Review of Pakistan's trade with the ASEAN Countries.

Ilyas Ahmed Bilour thanked all the delegates for visiting Pakistan to attend the meeting.

He stated that palm oil is the second largest import commodity of Pakistan and 90% of it is imported from Malaysia. He regretted that Malaysia has imposed restriction on import of rice which should be abolished. Pakistan produce the world's best quality apples, oranges, mangoes and basmati rice. He criticized the role of Developed countries in the world trade as they exporting such technologies which has no use in their countries or they export second hand technology/machineries to the developing countries and at the counter they imposed non-tariff barriers. The South Asia and South East Asian region comprises 50% of the total world population and we should exploit the condition. He further stated that Pakistan is the gateway to the land lock countries, like Afghanistan and Central Asian Republics, which are virgin markets. He added that Pakistan has beautiful tourist resorts, which are cheapest in the world too. He stressed that there is the need for continues contact to improve the trade relation between Pakistan and ASEAN. He also suggested that business visas recommended by National Chambers of Commerce should be given priority or be allowed entry visa, on the arrival.

pg...7

In response, Mr. Daud Daros stated that distribution of rice in Malaysia is a security problem and restriction is imposed not on Pakistan only but rest of the world countries. He informed that Malaysia consumed 70% of the rice which produced domestically and 30% imported. He further stated that in Malaysia rice and oil is highly controlled by the Government. Mr. Ilyas Bilour stated that this is not the security matter. Malaysia actually wants to protect their local rice growers. Mr. Daud Daros requested for sharing in Nuclear Technology for the peaceful use only, as they have not intention of producing weapons etc. Mr. Ilyas Bilour insisted that Malaysia should give Pakistan special attention for their markets as Pakistani Markets are full of Malaysian Products of Japanese brand names.

Mr. A.G. Mustafa stated the if Most Favoured Nation's status is awarded to any country these problems could be solved very easily.

As far as the tourism is concerned there is need for tourism promotion by Pakistan to the people of South East Asian countries as they have not enough knowledge about Pakistan tourist resorts.

It was enquired as to what was the result of the single country exhibition of Indonesia held in Karachi three years back. The Indonesian delegate stated that Indonesia will hold an Exhibition in October, 2000 where Pakistan can also be participate. He said that he has no knowledge about the success of the last exhibition.

Mr. Daros Daud said that in Malaysia most of the hotels accept all currency for transaction purpose, He further informed that there is very good potential in Pakistan but the facilities and incentive provided by the Government is not very satisfactorily to promote tourism. He offered that Malaysia is ready to help Pakistan in Tourism. A.G. Mustafa, pointed out that Pakistan government is not willing to deal in any other currency except US Dollars. He said that Pakistan has to provide incentives to promote tourism.

Mr. Ilyas Ahmed Bilour asked the delegates to contact/write FPCCI and EPR if they have any query or any information so that we can disseminate to the business community of Pakistan. He further proposed to hold meeting of the Pakistan-ASEAN at least once in a year and next meeting should be held in any ASEAN countries.

Identification of potential areas for mutual collaboration in trade, investment and industry between Pakistan and ASEAN.

Mr. Ilyas Amed Blour informed the delegates that Pakistan is a good producer of Sports Goods and Surgical goods and we have good prospect of Mining Industry but unfortunately it is ignored. We have good quality gems and jewelry and chromium etc. He further said that Government is ready to finance gems and jewelers manufacturing to finishing their products for the promotion of this industry.

pg...8

Mr. Amin Aljeffery said that people can advertise and display their products through Inter-net. In this regard the manufacturers of these items should design their Web-site in such a way that their product can be promoted in the ASEAN markets. He said that Pakistan can display their products in the ASEAN countries and in return Pakistan may provide Duty Free Zone-cum-Exhibition area to the ASEAN countries.

He informed that from April 11-13, 2000, ASEAN Summit will be held in Kuala Lumpur where the ASEAN countries, participant from all the world will also participate. It is expected that about 1,000 visitors will visit this summit. He informed that for 3X3 meter space there is a cost of only US\$ 200/-. He further informed that Malay CCI, Kuala Lumpur holds meeting after every two months where Exhibitors can exhibit their items by paying only 200 Malaysian Ringits.

Formulation of an Action Plan for Cooperation between Pakistan and ASEAN in trade, investment and industry.

It was decided that FPCCI will request the Commercial Counsellors of Pakistan in ASEAN Countries for making Action plan for the next meeting of APJBC in coordination with the ASEAN Secretariat. Similarly, the National Chambers in ASEAN countries should also advise their Commercial Counsellors in Pakistan to formulate Action Plans in consultation with the FPCCI.

CONCLUDING SESSION :

1. ADOPTION OF THE REPORT OF THE DRAFTING COMMITTEE

The Report of the Drafting Committee was unanimously approved by the Joint Business Council.

2. DATE AND VENUE OF SECOND MEETING OF APJBC :

It was unanimously decided to hold the Second Meeting of the ASEAN Pakistan Joint Business Council in Manila, the Philippines in April, 2001.

3. CONCLUDING STATEMENT BY SYED AMIN ALJEFFRI, CHAIRMAN APBC

Syed Amin Aljeffri in his concluding remarks said that the holding of APJBC meeting is the first step forward and efforts should continue from both side to follow-up the decisions taken. He advised all the representatives of ASEAN to go back and follow up with their respective Governments so that trade between Pakistan and ASEAN could flourish. He also urged the need for close and frequent interaction between the businessmen backed up by political support from the Governments. He hoped that greater ASEAN Pakistan cooperation would be in the interest of both the sides.

pg...9

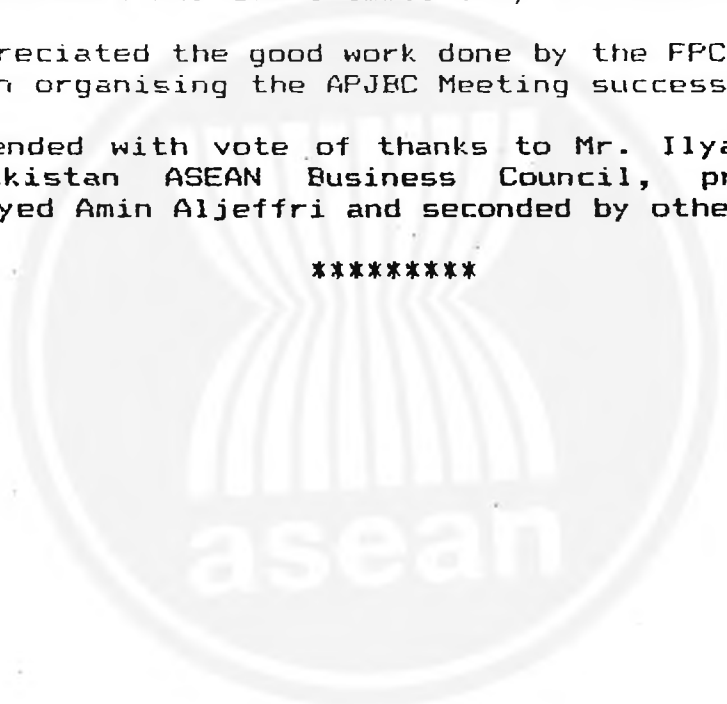
4. CLOSING REMARKS BY MR. ILYAS AHMED BILOUR, CHAIRMAN PABC :

Mr. Ilyas Ahmed Bilour thanked Syed Amin Aljeffri and other distinguished delegates from the ASEAN countries for attending the first meeting of ASEAN-Pakistan Joint Business Council. He also thanked Mr. Tariq Ikram, Chairman EPB and other officials of The Export Promotion Bureau for extending hospitality to the ASEAN delegation. He also thanked Mr. Fazal-ur-Rehman Dittu, President, Sheikh Jamil Mehboob Magoon, Vice President & Zonal Chairman and Mr. Mahmood Ahmed, Vice President FPCCI for joining the meeting.

Mr. Ilyas Ahmed Bilour termed the first Meeting as most successful and hoped that it would bring forth better results for promoting trade between Pakistan and ASEAN. He thanked Syed Amin Aljeffri for proposing his name for appointment as Honorary Consul General of Lao People's Republic in Pakistan. In the end, he wished all the delegates a pleasant and comfortable stay in Karachi.

The House appreciated the good work done by the FPCCI and ASEAN CCI Secretariat in organising the APJBC Meeting successfully.

The meeting ended with vote of thanks to Mr. Ilyas Ahmed Bilour, Chairman, Pakistan ASEAN Business Council, proposed by his counterpart, Syed Amin Aljeffri and seconded by other members.





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 24





Delivering to the community.....

- ⊇ Building Stronger Foundations
- ⊇ Creating New Opportunities
- ⊇ Making APEC Matter More

The theme is designed to:

- *develop and implement APEC's built-in agenda*
- *develop and highlight Brunei's specific interests in Small and Medium Enterprises, Human Resource Development and Information Technology*
- *be participatory, giving incentive to the active involvement of member economies*
- *give coherence and community relevance to the now wide ranging APEC agenda*

I. Building Stronger Foundations

Strengthening Markets

- Developing skills for the financial sector
- Building from competition principles
- Improving economic governance

Trading Confidently

- Strengthening the Multilateral Trade System
- Facilitating goods and services flows

Integrating the Human Factor

- Strengthening Human Resource Development across the APEC agenda
- Human Resource Development and Structural Adjustment

(Forms part of a more comprehensive approach to Human Resource Development for APEC 2000)



II. Creating New Opportunities

Information and Communication Technology

- Developing the Infrastructure
- Developing a dynamic E-commerce framework

Technology Plus

- Training for changes: broadening access to technology
- Developing a knowledge-based economy
- Entrepreneurship and Venture Capital for Small and Medium Enterprises



III. *Making APEC Matter More*

Interacting effectively with business

- Improving and communicating APEC action plans
- Enhancing information flows for Small & Medium Enterprises
- Underpinning the role of women in business

Benefiting regional travellers

- More open Air Services
- Tourism, including Eco-Tourism
- APEC Travel Card

Youth and Education

- Broadening youth awareness
- APEC Studies Centres and APEC Education Forum outreach

Focusing on Necessities

- Energy
- APEC Food System
- Biotechnology





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
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ANNEX 25



**Informal Summary of
SOMTI Coordinators' Meeting
16-17 March 2000
By Thailand**

1. Trade

1.1 Consolidated list of NTBs

- Korea will update and distribute the list by the end of March. ASEM partners will have been requested to make comments and recommendations on the list as soon as possible.

1.2 To streamline SOMTI process

- The Coordinators viewed that we should make efforts to streamline the SOMTI process by strengthening the roles of TFAP Shepherds/Facilitators to achieve the maximum effectiveness of all SOMTI relevant meetings.

2. Investment

2.1 MEM on VIE

- The Coordinators were of the view that it is useful to put the MEM progress reports made by ASEM partners into the Virtual Information Exchange website.

2.2 Presentation of national investment regimes

- The Coordinators proposed that partners who have not made presentations on national investment regimes i.e. Sweden, Finland, should do so.

2.3 "VIE Minimum Contents"

- On VIE, ASEM partners may wish to check the "Minimum Contents" required in each national websites and discuss on this matter at the IEG IV.

3. AEBF

3.1 Linkage with Business

- The Coordinators emphasized the importance of coordination between ASEM/AEBF. Korea are going to invite the representatives from AEBF to attend the SOMTI VI and IEG IV.

3.2 Clearing House

- The Coordinators viewed that we should pursue the idea of Clearing House in order to respond AEBF recommendations in a more practical and effective way.

3.3 AEBF V Programme

- The latest programme of AEBF V to be held in Vienna, Austria appears in attachment 1

4. WTO

- The Coordinators exchanged ideas on how to discuss the WTO issues in the more appropriate atmosphere and suggested Korean that we move WTO into the Plenary. The EC will provide a discussion paper on the agenda item based on their 4 WTO papers (attachment 2). Any comments from partners will be welcomed.

5. Recent Economic Development

- The Coordinators agreed that partners should exchange views on the topics of common interests which are worth discussing. This agenda item may be moved to talk over lunch instead of the WTO.

6. ASEM III

6.1 Interesting Topics for Leaders' Discussion

- The Coordinators exchanged views on the topic to be discussed by ASEM Leaders at the ASEM III. They came up with several interesting subjects including telecommunication, information technology, globalization, ASEM Trust Fund II and regional integration.

6.2 Participation of Economic Ministers in Ministerial Prep. Meeting

- The Coordinators discussed Thailand's suggestion that Economic Ministers should participate in the Ministerial Preparatory Meeting for ASEM III on 19 October 2000 in Seoul. There were no strong objection to that suggestion but the EC informed the Meeting that European side recently agreed to have their Ministers of Foreign Affairs to attend the Ministerial Prep. Meeting. Korea took note.

7. SOMTI VI and IEG IV

7.1 Programme

- Korea proposed the Meeting the latest programmes of SOMTI VI and relevant meetings as follows:

Wednesday 10 May 2000

Thursday 11- Friday 12 May 2000

Thursday 11- Friday 12 May 2000

Saturday 13 May 2000

(optional informal dinner for IEG Shepherd

4 th IEG Meeting

TFAP Shepherds Meeting

SOMTI VI

7.2 Agenda

- Korea proposed the Meeting the Agendas for SOMTI VI and relevant meetings and would like ASEM partners to make some comments. Korea also wanted to know who will be lead off speaker in each agenda item.

(Agendas and programmes of SOMTI VI and related meetings appear in attachment 3)

The 5th Asia Europe Business Forum
Vienna Hofburg, Austria
September 29 – 30, 2000

Draft Program

September 28, 2000 Thursday

- 14.00 - 16.00 Steering Committee Meeting (*Austrian Federal Chamber of Commerce*)
 (Only Chair & Co-Chairmen of the Working Groups and a Representative from each member country)
- 18.00 - 19.30 Registration & Cocktail Reception for Delegates and accompanying persons hosted by the Austrian Federal Chamber of Commerce - (*Vienna Hofburg, Redoutensaal?*)
- Welcoming Remarks: LIST Helmut (Chairman, AEBF V)
 - Congratulatory Remarks: N. N. (high-ranking member of Austrian government)

September 29, 2000 Friday

VENUE: VIENNA HOFBURG, REDOUTENSÄLE

- 07.30 - 08.30 Registration
- 08.30 - 09.00 Opening Plenary Session - (*Vienna Hofburg, Redoutensaal*)
- Opening Remarks: LIST Helmut (Chairman, AEBF V)
 - Welcoming Remarks: N. N. (high-ranking member of Austrian Federal Chamber of Commerce)
 - Keynote Address: N. N. (high-ranking member of Austrian government)
- 09.00 - 09.15 Lecture on WTO Developments: MOORE Mike (Director General of WTO General Secretariat) - (*Redoutensaal*)
- 09.15 - 09.45 Coffee Break - (*Redoutensäle Lobby*)
- 09.45 - 12.30 Meeting of the Working Groups
- Horizontal Working Groups - (*Redoutensäle*)
 - Sectorial Working Groups - (*Redoutensäle*)
- 12.30 - 14.00 Buffet Lunch hosted by the Austrian Federal Ministry of Economic Affairs - (*Vienna Hofburg, Attic Parlor*)
- 14.00 - 18.00 Meeting of the Working Groups (continued)

20.00 – 22.30

Dinner for Delegates and accompanying persons hosted by Mayor of the City of Vienna and the Austrian Federal Economic Chamber -
(*Wiener Rathauskeller – Rittersaal; Wien 1, Rathausplatz*)

September 30, 2000 Saturday

VENUE: VIENNA HOFBURG, REDOUTENSALE

08.00 - 08.30

Chairmen's Breakfast Meeting - (Redoutensale)
(Only the current and former Chairmen of AEBF, Chair & Co-Chairmen of the Working Groups)

08.30 - 09.30

Lectures on
- **EURO** (followed by brief discussion)
- **EU-enlargement** process (followed by brief discussion) -
(*Redoutensaal*)

09.30 - 12.00

Closing Plenary Session - (Redoutensaal)
- Presentation of Working Groups Meeting Results
- Adoption of the Chairman's Statement
- Welcome to AEBF VI Singapur (Chairman AEBF VI)
- Closing Remarks: LIST Helmut (Chairman, AEBF V)

12.00 - 12.40

Press Conference - (Redoutensaal)
(Only the Current and former Chairmen of AEBF, Chairmen of the Working Groups)

WTO New Round -- Post Seattle Strategy

(this document is based on a paper recently endorsed by the 133 Committee of the Council)

Introduction

This note suggests that the Community pursues an active strategy aimed at maintaining momentum and building support for the launch, as soon as possible, of a comprehensive trade round. First, the note sets out why Seattle did not achieve the outcome we hoped for, and lessons that might be drawn from this. For example, it seems clear that the divergent views of, on the one hand, several developing countries, and on the other our civil society, were underestimated. The note then sets out the way in which we might pursue the launch of a new round and make progress on other parts of the WTO's work programme.

The suggestions below represent only initial thinking on the part of the Commission services. More time, and more discussion with our trading partners will be needed to get a complete picture of the prospects and timing for beginning a new round of negotiations. We need also to consider the views of the European Parliament, the business community and civil society.

Reasons for the Failure of the Seattle Conference

There are several related reasons why Seattle did not succeed in launching a Round. One is that the ground was inadequately prepared in Geneva in the run up. Delays over the appointment of a Director General, and over-concentration on the built in agenda to the virtual exclusion of other subjects, meant that not all issues were properly aired. No mechanism for considering the ensemble of topics, or building consensus on a package was developed. Organisation of the work in Geneva was also sub-optimal.

As a result divergences in positions continued up to and through Seattle. This included differences on issues such as implementation, textiles and clothing, anti-dumping, TRIPS, TRIMS market access, investment and competition, in agriculture the attempts by some partners to have a text agreed as a precondition to agreeing texts on other subjects, and lack of clarity on how to deal with issues of concern to the broader public, such as the relationship between trade rules and environment and consumer safety policies, and social issues.

The lack of time available for serious negotiations, difficulties in the management and organisation of the conference, and the exclusion of many developing countries from the discussions, made it difficult to bridge these differences. No real negotiations took place where we could look at a complete package of issues and find consensus. It is difficult to know whether, given more time, agreement could have been reached. Certainly some WTO Members are convinced it could have been.

We were therefore left with a situation in which no agreements were reached on any issues at Seattle, the ministerial meeting was "suspended" (strictly speaking it is of course formally over), and the emerging texts are formally speaking null and void.

Lessons To Be Learned From Seattle

a) Procedural and Institutional Issues

A number of lessons should be drawn from Seattle that should influence our approach in the coming months. First, on procedures, WTO needs to work in a more inclusive and transparent way viz-a-viz all Members, and improve communication to the outside world. Work also needs to be organised more efficiently. There may be scope for short term improvements in working methods, particularly in preparing for and managing ministerial conferences, where greater transparency, efficiency, and means to ensure fuller participation by developing countries seem warranted. In the longer term, we may need to examine options for broader improvements to the system. However, we should not draw over hasty conclusions, nor let "institutional reform" detract from the goal of launching a Round. Nor should the WTO system be made the scapegoat for failure to bridge gaps on the substance of negotiations.

The Commission has presented a separate paper setting out options for procedural and institutional improvements to the WTO.

b) Questions of Substance

The second – and key – conclusion that we draw from Seattle is on the substance of the discussions. Despite continued differences on several points of the negotiating agenda, it would be wrong to conclude that those differences could not have been bridged given better preparation in Geneva, more time in Seattle, and more flexibility all round. It should therefore be possible to bridge them in the future.

Concerning the EC's agenda, we should recall that a large range of countries – both developed and developing – had joined with the EC in supporting a comprehensive approach, in view of which it cannot credibly be argued, as some have, that over-ambition on the EC's part (or the EC position alone) was the root cause of Seattle failing. Many developing countries had also recognised the benefits in the proposals made by the EC and other "Friends" on implementation, market access and rules, all of which demonstrated genuine willingness on our part to take decisions that, notwithstanding our own domestic difficulties, would have addressed real concerns of developing countries. The least developed countries could also have substantially benefited from the EC's proposal, supported thus far only by Japan, to grant tariff and quota free treatment to essentially all their products.

The EC and other Friends of a comprehensive Round had also, before and at Seattle, indicated openness to consider proposals from others aimed at making issues like investment, competition and environment more readily acceptable. On agriculture, ideas emerged that, with some further work, could have provided a basis for negotiations within an overall package of results.

The Continued Case for a Round

In the light of the above, the Community should, reconfirm its attachment to the concept of a comprehensive, Round, as set out in the Conclusions of the Council of 26 October 1999, and as supported by a large group of countries before and at Seattle: a Round in the sense of an inclusive approach in which all WTO Members can find their interests addressed.

The fundamental reasons in favour of a broad agenda remain valid. First, as regards further trade liberalisation, both developed and developing countries seek improved market access for their products and services, in order to increase economic growth. It was clear at Seattle that only a comprehensive approach to market access, covering all sectors, can enable all Members to exploit their comparative advantage and thus increase their trade.

Secondly, the WTO also needs to update its rules to respond to the effects of globalisation, so that our traders and investors can enjoy a predictable, transparent and non-discriminatory framework in which to make their economic decisions and to compete. Basic rules on investment and competition are necessarily part of such an agenda and will go some way towards providing this environment. There continues to be solid support from a large group of "Friends" of a new round for the inclusion of these issues in a negotiation, and it is a matter of regret that negotiations on two subjects of such systemic importance and of benefit to companies around the world could not be launched. It is similarly regrettable that it was not possible to begin negotiations on either trade facilitation or on improvements to rules in areas like trade defence or technical barriers to trade, all of which would contribute to more predictable market access conditions and to the freer flow of goods.

Third, Seattle also highlighted acutely the need to better integrate developing countries into the trading system through better market access, improved special and differential treatment, better coordinated capacity building, and a more active role within the WTO mechanisms. A new round will enable the developing countries' trade agenda –including more sensitive issues – to be comprehensively addressed.

And finally the WTO must still answer questions of concern to governments and the wider public. Our societies remain concerned over the potential influence of the trading system on the environment, sustainable development, social issues, and consumer health and safety, and seek answers that both safeguard the trading system and these societal concerns. We recognise however that the EC position on some of these issues has, thus far, gained little support. Consequently, we need to increase our efforts to explain more clearly and specifically our objectives in these areas in order to do away with still strong suspicion in developing countries regarding the real aims or consequences of the proposals put forward by the Community to meet civil society concerns. This situation will have to be taken into account as we review our position in this area, as in others, over the coming months. Our fundamental objectives remain valid, but we will have to consider the options available to achieve them, in order to ensure that any further clarification of the rules resolves a very complex equation: meeting legitimate societal and ethical concerns while bringing greater legal security to all Members and their companies, preserving the fundamental principles of the WTO, and preventing unjustified discrimination or disguised restrictions on trade.

All of the four groups of issues set out above will have to be addressed adequately if we are to secure the successful launch of a comprehensive new Round.

The Way Forward: Preparing for the Launch of a New Round

At the practical level, what should we now do? The Community has, of course, already an agreed approach in the form of the Council Conclusions of 26 October 1999, and the Council in Seattle on 3 December confirmed that the elements of the EC's comprehensive approach, as set out in those conclusions, should continue to be pursued. As the top priority, we should continue actively to make our case for a comprehensive new round and prepare the terrain further for launching negotiations, including, most obviously, with the Friends of a Round such as Japan, with the US, but also with Canada, Australia and other Cairns' members, within ASEM, with India, Pakistan, Malaysia, Egypt, Brazil, South Africa and others, and with our ACP partners. With all our partners we should work to maintain and broaden support for a Round.

As part of this process, we must of course be prepared to adjust our positions, and the presentation of them, in the light of the reactions of other countries, and taking account of the discussions and proposals made at Seattle. We expect other WTO members to review and adjust their positions as well, including the US, whose (so far negative) stance on several issues of critical importance to developing countries will be key in reviving prospects for a round.

An intensive process of consultation, review and alliance building with our partners will also allow us to better prepare the ground for launching negotiations in areas like investment, competition, trade facilitation and environment. In the meantime, continued analytical and educational work in these areas would improve understanding of the issues and help the search for common ground. The basis for further preparatory work would be the work programme to prepare for negotiations begun at the WTO's 1996 Ministerial meeting, and supplemented by the preparatory work launched at the 1998 Ministerial, both of which remain valid (both in the legal and practical senses of the word). In addition to this we will need to continue our efforts to develop a meaningful dialogue between the ILO and the WTO on questions relating to social development.

Continuing the Short and Medium Term Work Programme

In addition to rebuilding momentum for the successful launch of a new round, we need to make progress in all other aspects of the WTO's work programme through a number of actions in the short and medium term. In particular:

a) The implementation concerns of developing countries must be seriously addressed. Discussions both before and at Seattle show that those concerns cannot be ignored or underestimated. In addition to what might be done in the short term to alleviate problems, we should be willing – as we were at Seattle – to launch a work programme within the WTO to address other outstanding implementation issues. As a general principle, issues that cannot be resolved by the next ministerial meeting should be taken up in negotiations. We should in addition remain open to including, in a new round package, the substantive proposals made by the Friends' group. The Commission has prepared a more detailed paper setting out an approach to implementation to be taken in the WTO.

b) Second, with regard to the built in agenda, the Community should participate actively and in good faith in the scheduled negotiations, which in the absence of any new mandate at Seattle will begin on the basis of Article 20 of the Agreement on Agriculture, Article XIX of GATS, and Article 23 of TRIPS. We note that in the absence of a decision at

Seattle to launch a new round as a single undertaking, there remains no timeframe for the conclusion of these negotiations.

c) Third, there remain some other issues that should have been decided in Seattle and which now need addressing. A priority among these is the initiative to grant duty and quota free access to essentially all products of least developed countries. Decisions on coherence and capacity building, and the adoption of the results of the DSU review are also needed. We may also need to revisit other issues such as the expiry of certain Articles of the Subsidies Agreement, the non-violation provisions of TRIPS, the continuation of the E-commerce moratorium and work programme, and the expiry of transitional periods in TRIMS and Customs Valuation. On these latter two agreements, the Community should be prepared to act flexibly in cases where developing countries have encountered problems. The way forward on all of these issues have been set out in the separate 133 note on implementation.

d) Fourth, the Community should put forward proposals on improving the functioning of the WTO, as mentioned above, to ensure more propitious conditions for the launch of negotiations. As noted earlier, these proposals should, in the first place, address possible short term improvements in working methods in the longer term some reflection is needed on whether there is a case for more substantial institutional improvements.

Conclusion

In sum, the proposed approach reflects the Community intention to continue to provide leadership within the WTO and to maintain the momentum for further liberalisation and rule making. The further work we envisage will ensure that the future negotiations are put on the most solid basis possible, that the new issues are fully understood, that the problems identified by developing countries are being properly addressed, and that the functioning of the WTO is being improved.

It is currently difficult to estimate how far, and how quickly, these measures will take us to a formal launch of negotiations. But we believe however that it would be premature at this stage to convene a further Ministerial Conference. Instead consultations should be carried out at senior officials' level to review the substance of the negotiating agenda and the rest of the WTO's work programme, the prospects for relaunch and the best timing. The programme of work we envisage and the consultations we will have with our trading partners should enable us, in the next few weeks and months, to get a better idea of what is feasible. We would then envisage an initial review of the situation and our own position at the informal meeting of EU trade ministers in Porto in March.

John Clarke
DG Trade G1

Tel 90154-G:clarkeja/publicwto133/Post-Seattle options paper final 42003.doc

I. A new approach to technical assistance

In the preparations to the 3rd WTO Ministerial, the EC suggested a new approach to technical assistance for capacity building, as part of its initiative for enhanced coherence in global economic policymaking. The intention of the EC proposal was to introduce a new and better approach to technical assistance in the WTO, based on

- cooperation between donors (including in the Integrated Framework for Trade-Related Technical Assistance for Least Developed Countries) for enhanced coherence and better use of efficiencies among donors;
- full participation by recipients for demand driven assistance to better target actual needs, and;
- a framework to support the implementation of WTO agreements in light of country specific requirements and using existing WTO mechanisms to examine and monitor the effectiveness of such assistance.

The EC remains committed to this approach to technical assistance and suggest that WTO Members pursue the programme within the existing WTO framework.

A new approach to technical assistance should focus on two types of trade related assistance:

- To promote the understanding and use of WTO rules, so that recipients are able to exploit to a maximum the opportunities offered by the multilateral trading system. This is the area of particular expertise of the WTO Secretariat. It also covers activities aimed at enhancing the capacity of developing country administrators to participate in WTO activities and negotiations.
- To enhance the capacity of recipients to adopt and implement domestic laws and regulations to fulfil their WTO obligations and participate actively in the system. This form of technical assistance is closely related to the building of domestic capacities and would often require close cooperation between the WTO and other international organisations and donors on the basis of full partnership with the recipient. The EC has also suggested that technical assistance programmes in this field be developed in relation to the negotiations of WTO rules in new areas.

In addition, a new approach should consider capacity building in a broader sense and address the ability to trade of a country, sector or region through supply-side reforms. This category would include a larger variety of measures and sectors, which may not be primarily trade related. It is thus not, as such, the task of the WTO Secretariat, but needs to be taken into account when designing a programme for technical assistance so as to provide a response to all elements of capacity constraints. This type of assistance would thus call for cooperation with other international organisations to supplement and support by capacity building measures the core technical assistance as provided by the WTO

Secretariat. The Integrated Framework for LDCs is based on this broader approach. A new approach to technical assistance should build on the principles of the Integrated Framework for LDCs, while taking account of the experience and knowledge gained and the results achieved. Consideration should also be given on how to improve the functioning of the Integrated Framework. WTO work in this area would contribute to enhancing coherence in global economic policymaking to help the integration of developing countries in the global economy, as set out in the Uruguay Round declaration on coherence and supported by the joint statement of the WTO, IMF and the World Bank, issued in Seattle on 30 November 1999.

II. A new approach to technical assistance: Pilot project.

Some developing countries have faced difficulties in implementing Uruguay Round agreements. For some of these countries and in relation to certain WTO agreements, capacity constraints are a main reason for difficulties. It is important that these countries receive adequate assistance to build their capacity to implement these agreements. Such assistance should be specific in addressing the actual capacity needs to help countries carry out the steps necessary for implementing agreements. This requires a clear identification in the WTO of steps to take in relation to implementation and indication by developing countries themselves of needs in relation to these steps, as suggested by the EU in its submission of 28 July 1999 on coherence and capacity building. It also requires cooperation by relevant donors in providing assistance to ensure correctly targeted assistance regardless of source and to optimise the synergy between projects. Where relevant, donor cooperation can be carried out in existing frameworks, such as the Integrated Framework for LDCs.

The EU considers that the best way to launch a process of enhanced trade related technical assistance for capacity building is by a pilot project. While addressing substantial problems in relation to implementation, a pilot project would also allow Members to consider how best to make use of existing mechanisms and where improvements are needed, including in the longer term.

The Agreement on Customs Valuation is an agreement that has proven particularly resource demanding to implement. For many countries, implementation problems are due to capacity constraints and could be remedied by adequate and well-targeted assistance. For this reason many donors, including the EC and its Member States, have already given considerable attention to technical assistance for customs valuation. A great deal of these projects have carried with them a positive result and have helped countries improve their customs valuation systems and implement the Agreement on Customs Valuation. However, some projects have not had the intended effect. Several factors influence the outcome: Is the project sufficient to meet the needs in relation to implementation? Is the project correctly targeted at the specific needs of the recipient country in relation to implementation? Is the timing of the project right? Are projects well sequenced among them? Does each project take account of results already achieved by other projects? Does each project take account of the need for follow-up or the need for infrastructure and provide adequate funding for this?

It is clear that a new approach is needed to address these questions and ensure better-targeted and co-ordinated assistance. The EU therefore suggests that, at a first stage, a new approach to technical assistance for capacity building be directed at implementation of the Agreement on Customs Valuation. This would serve as a pilot project for

technical assistance; experience gained in providing assistance in the field of customs valuation should help define a future work programme on technical assistance in relation to implementation of WTO agreements, including agreements that could be negotiated as part of a New Round. Targeting implementation problems with regard to the Agreement on Customs Valuation for a pilot project would not in any way imply a prioritisation of this agreement in relation to other agreements, nor would it entail a diversion of funds from assistance related to other agreements. The objective would be to (i) apply a new approach to technical assistance in this pilot project, and (ii) review the experience gained so as to deduct principles and measures that should apply at a general level.

The pilot project should build on four key elements:

(i) An identification at the country level of the steps still required for implementation of the agreement, i.e. an outline of all administrative, regulatory, policy or infrastructure measures to take for implementation of the agreement. This would help those developing countries that face difficulties with the implementation in identifying specific problem areas and the assistance needs in relation thereto.

(ii) The project should be demand driven; i.e. developing countries themselves should identify their assistance needs in relation to the outline of implementation measures indicated above. In connection to this, assistance already provided for implementation of the Customs Valuations Agreement should be taken account so as to avoid repetition and overlapping and to ensure a synergy effect.

(iii) There should be transparency and cooperation among donors for enhanced efficiency and better targeted assistance, i.e. once the needs have been identified, full transparency would make apparent the assistance needs, thus helping donors to target their assistance and cooperate to allow for the best placed donor to provide assistance in each case. It is essential that enhanced cooperation among donors on this project does not imply the creation of costly and time-consuming administrative structures.

(iv) Assistance provided should be linked to the implementation schedule as agreed by the Customs Valuation Committee; i.e. assistance provided to address a given measure in the implementation schedule should ensure that this measure is actually taken and the implementation schedule respected. The Customs Valuations Committee would also regularly monitor the effectiveness of technical assistance programmes.

The Commission contribution of € 355,000 for customs valuation in the ACP countries, mentioned below, would be integrated into this pilot project.

III. Trade Related Technical Assistance and the WTO lack of funds

The need to provide an adequate financial basis for the trade related technical assistance (TA) activities of the WTO remains one of the questions left unanswered by the Seattle Conference. WTO Members were unable to progress on this issue, while recognising that this is an essential tool to enhance developing countries ability to participate in the system.

The main challenge presently facing WTO Members is the possibility to agree on a stable, long-term solution, which would provide an answer concerning both the level of the funding and the most appropriate mechanism to guarantee its continuity. However,

immediate concerns on how to sustain the WTO Technical Cooperation Programme for the year 2000 should not be neglected while searching for the optimal solution.

IV. Increase in the WTO regular budget

The EC and its Member States attach great importance to address immediately the current gap for the financing of WTO technical assistance by a solution that ensures adequate funding, predictability and stability for WTO technical assistance. It is essential that the solution found allows for the WTO Secretariat to meet the targets for technical assistance.

Finding a solution that ensures adequate funding, predictability and stability for WTO technical assistance is not, however, a panacea and any such initiative should be seen together with other elements of a coherent approach to trade-related technical assistance. The EC, in its submissions and through its work at Seattle, has already raised the issue of the need for an enhanced commitment and coordination by other international organisations – such as World Bank and UNCTAD, which may be better equipped for certain technical assistance needs. We believe that it is important to continue to work in all these fora, to make that this process is now set in full gear and brought to better practical results. The Committee on Trade and Development should be at the core of the technical work in this area, as it also is the case for the planning, oversight and evaluation of technical assistance activities at the experts' level.

V. The current gap – The situation for the year 2000

At the same time, while we are moving in the direction of an increase in the WTO regular budget, the EC agrees that it remains important to continue the practice of voluntary contributions. The EC and its Member States have been the largest contributors for WTO related technical assistance in the recent past. We intend to remain in the lead for the year 2000, via substantial contributions to support technical cooperation on WTO related matters 2000.

Taking into account contacts between the CTD and the Budget Committee (CBFA) in September 1999 and more recent information obtained from the Secretariat, the situation for WTO technical cooperation for the year 2000 remains bleak and the difficulties of the previous year are likely to be reproduced. The WTO Secretariat, based on previous years experience, estimates the needs for the year 2000 at around 10 Mio SwF. Against these requests, the regular budget allocates only 741.000 SwF for technical cooperation in the year 2000. Voluntary contributions by WTO Members will have to supplement this low amount. At this time, however, they still fall rather short of the needs.

The European Commission contribution will be substantial, consistent with our record. In fact, the Commission has set aside 10 Mio € from the 7th EDF (European Development Fund) with a view to support the integration of ACP countries into the multilateral trading system. In spite of some administrative limitations linked to these funds in the EC legal system, like in previous years the Commission is working with the ACP Secretariat and the WTO Secretariat in order to identify the activities which the Commission could finance in the year 2000. The most likely candidates are a number of regional seminars¹

¹ Requests are very numerous already for all geographical areas, including 5 for Middle East and 20 for Africa. Other areas are Pacific, Latin America and Eastern Europe.

and the programme of technical assistance for Custom Valuation. For the latter the Commission has already set aside 355.000 € (670.000 SwF).

In addition, the European Commission has devoted more than 1 Mio € to the establishment of an ACP Secretariat office in Geneva for the ACP countries who are WTO members (currently 55, out of a total of 71 ACP), to help them to co-ordinate in the WTO and to support those ACP countries, a majority, who have no permanent office in Geneva.

Concerning least developed country accessions to the WTO, the EC, like other donors, uses part of the funds for its bilateral programmes to provide trade related technical assistance to these countries. For instance, at its request, we are financing a study to identify Bhutan's needs in relation to its possible accession to the WTO.

In a similar way, the EC and its MS run substantial programmes of technical assistance in the field of intellectual property, in accordance to Art. 67 TRIPs Agreement, as well as in the field of technical barriers to trade, which help facilitate the implementation of the TBT Agreement.

The EC Member States in their own capacity make separate voluntary contributions, now directed to the Global Trust Fund. For the year 2000, Denmark has committed 1.600.000 SwF and Finland 267.000 SwF. In addition, Germany's contribution of 1 Mio DM (820.000 SwF) over four years will be entirely devoted to Trade Policy Reviews for developing countries, a need identified as a priority by both the Secretariat and developing countries, in particular LDCs, but separate from the technical assistance activities listed in the three-year Plan. Most other Member States also envisage substantial contributions to the Global Trust Fund for this year.

It remains understood that the activities and funds reported are only a part, sometimes the smallest part, of the total amounts that each donor commits annually for trade related technical assistance projects. It does not cover, for instance, the substantial technical assistance that the EC and its Member States provide in support of UNCTAD activities. The purpose of this submission, however, is to call the attention of WTO Members to the WTO problem of lack of financial means for technical assistance, not to map the whole of the contributions made bilaterally or multilaterally.

Several Member States have also contributed to UNCTAD trade related technical assistance programmes, to the ITC and to the establishment of the Advisory Centre on WTO Law. Moreover, many Member States have helped finance the participation of LDCs to the WTO Ministerial Conference in Seattle and to the High Level Symposia on Trade and Development and Trade and Development, as well as organised, in cooperation with the WTO Secretariat, training programmes and seminars on WTO issues for developing countries.

Brussels, 10 March 2000

EC DISCUSSION PAPER

Improving the functioning of the WTO: Suggestions for possible ways forward

Introduction

Over the last year, the EC has presented a number of initiatives aimed at WTO institutional improvements. The failure of the Seattle Ministerial Conference has also raised new questions about the need to ensure a better balance between the effectiveness and transparency of WTO procedures. The WTO is and will remain an organisation in which governments freely assume legally binding commitments, subject to an effective dispute settlement mechanism.

At the same time, it is clear that the WTO membership has become more diverse and that the issues being addressed are increasingly complex and have more than ever a broader political resonance. Effective WTO management requires establishing a careful balance between effectiveness and transparency - the latter being understood as having both an internal and external dimension.

In this paper, the EC wishes to present a number of possible ideas on how to improve the functioning of the WTO system. These suggestions seek to draw some lessons from past Ministerials and also cover the issue of external transparency which has been the subject of ongoing discussions in the General Council. In our view, improvements in these areas could be implemented within a short time period and, in any case, before the next WTO Ministerial meeting.

Rapid action for improving the functioning of WTO and enhancing internal and external transparency.

A number of steps could be rapidly taken to improve the functioning of WTO and to enhance transparency. These could cover improvements in the preparation and organisation of WTO ministerials; support for developing country participation in negotiations; and enhanced external transparency. Progress in each of these fields would reinforce the WTO and facilitate the launch of a New Round of Trade negotiations. Progress can also be achieved without introducing changes of existing WTO rules and procedures. In this connection, the EC would wish to suggest the following ideas :

- **Improvements in the preparation and organisation of WTO Ministerials:**

A number of measures could be taken which, to a large extent, correspond to prior GATT/WTO practice:

I) Both in the preparatory process and in the Ministerial itself, there has to be a proper combination of informal processes and open-ended meetings. Informal meetings should be broadly representative of the WTO membership at different levels of development and reflect the breadth of substantive views on the issue being discussed. Such meetings should be systematically followed by open-meetings in which a report is made on progress achieved and all members are given an opportunity to express their views. The Director General should have a particular responsibility to make sure that adequate representation is achieved in informal meetings and that those not participating in the actual meetings are kept sufficiently involved in the process.

II) There has to be a clear delineation between the role of the host country and that of the Director General. The role of the host country should be limited to chairing the plenary session, while all other processes should be handled by the DG, assisted by his DDG's.

III) The structure for negotiations must be set in advance of the Ministerial meeting and planning should imply that all necessary time is given to the actual negotiation of texts. Chairs of working Groups should also be identified sufficiently in advance to allow for proper preparation. Where appropriate, sessions at senior official level should be held before the Ministerial starts.

- **Enhanced priority within WTO Technical Assistance to supporting developing country participation in negotiations, particularly LLDC's:** The envisaged review of WTO Technical Assistance should give priority to this issue. Apart from the issue of training of LLDC negotiators, a particularly promising approach is the organisation of regional seminars on new issues. The EC would put forward further ideas on how to address different aspects of this issue as part of ongoing discussions on how to strengthen WTO Technical Assistance.

- **Enhanced external transparency.**

Already in 1998, the EC presented proposals on derestriction of WTO documents and called for a review of existing WTO guidelines in order to strengthen procedures for consultation with NGO's. Since then, there has been considerable discussion of such issues in the General Council and the WTO has taken a number of initiatives to enhance consultations with civil society.

Building upon the proposals presented so far, the EC supports the following steps to enhance external transparency. Ensure immediate derestriction of most WTO documents. With a few limited exceptions, it should be possible to provide for the immediate derestriction of working documents, Secretariat background papers, meeting minutes and agendas and panel reports. The Secretariat could also be encouraged to increase further the user-friendliness of the WTO website on which the derestricted documents are published.

- Enhance contacts and exchange of information between the WTO Secretariat and NGO's, along the lines of existing initiatives.
- Ensure a more regular organisation of symposia and other forms of informal dialogue with civil society on a broader range of WTO issues.

Furthermore, additional measures should be considered to enhance transparency, while fully respecting the intergovernmental nature of the institution. Some of these measures may require further consideration and could also therefore be tackled within a longer term perspective. But such measures could include the following :

- contemplate a formal accreditation system for NGOs. In this connection different systems of accreditation could be considered, taking into account the experience in other international organisations.
- Hold an annual open meeting of the WTO. The purpose of the meeting would be to present and discuss a report on the activities of the WTO. As already envisaged in the section G of the TPRM, the report could highlight significant policy issues affecting the trading system, which could provide a focus for the discussion. WTO Members could be encouraged to include parliamentarians in their delegations, and a meeting of parliamentarians could also be organised back-to-back with such an annual meeting. Discussion panels could be organised, including the participation of heads of other international organisations. A symposium could also be organised with NGO'S. All these steps would not only enhance transparency but would also increase the policy relevance of the General Council.
- On a voluntary basis, meetings of the TPRM could also be open to parliamentarians and NGO's of the country under review. This would enhance public interest in the TPRM exercise and would provide an opportunity for stakeholders to be better aware of other countries concerns with the trade policies followed by the country under review.

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Implementation Issues and other Decisions to be taken by the WTO Membership :

Suggestions for a way forward.

Introduction

A range of implementation issues could have been resolved in Seattle as part of a launch of a Round. Other decisions with immediate effect could also have been taken but were not, and need to be addressed. The European Community believes that these issues should be resolved in a way that will genuinely help Members' efforts at full and faithful implementation of the Uruguay Round agreements, and improve the climate and basis for the launch of a new trade round at the earliest possible opportunity.

A. Implementation

The main proposals at Seattle regarding implementation were as follows:

- **Extension of Transitional Periods.** Proposals were made before Seattle for general extension of transitional periods in the TRIMS, TRIPS and Customs Valuation Agreements. Decisions were also due to have been taken at Seattle on the extension of Articles 6.1, 8 and 9 of the Subsidies Agreement, and the continuation of Article 64 of the TRIPS Agreement relating to non-violation. In addition, it was proposed by many at Seattle to extend, for a further 3 years, transitional provisions in the SPS Agreement for least developed countries (these provisions exempt ldc's from certain articles of the Agreement). Since no decisions were taken in Seattle, the Subsidies Articles in question have now lapsed, as has the moratorium on non-violation in TRIPS. In TRIMS and Customs Valuation, a number of individual requests have been presented for the extension of transitional periods.
- **Some technical measures** to improve the functioning and transparent application of the agreements on TBT, SPS, Agriculture and Services. For example, ways to support developing countries' participation in international standard setting, improved notification and review requirements under the AoA and the GATS, and procedures to facilitate compliance by developing countries with SPS measures.
- **A series of other measures** were also considered in response to requests raised by developing countries during the preparatory phase in Geneva. These proposals were reflected to a certain extent in various texts circulated at Seattle.
- **An implementation work programme.** Consideration in a work programme of remaining implementation proposals, with unresolved issues then being addressed within the Single Undertaking, i.e. subject as necessary to negotiations.

Approach Proposed By the EC

Regarding the transitional periods, the EC recognised the practical need of extensions on the part of some developing countries facing real and substantial difficulties in this respect. The EC believes it necessary to continue to act sympathetically and flexibly in

response to requests. It accordingly proposes the following approach consistent with the provisions of the relevant agreements:

On TRIMS and Customs Valuation, while extensions to transitional periods should be on a case by case basis, we should give sympathetic consideration to duly justified requests, which could in principle be granted for a period of up to 18 months or to the 4th ministerial conference.

For both Valuation and TRIMS, it would give greater legal security were Members to make a commitment not to engage in dispute settlement proceedings in respect of cases where Members have been granted a time-bound extension, for the duration of such implementation periods.

In view of the special difficulties faced by the least developed countries, it is suggested to grant a general extension of up to 18 months for the Customs valuation agreement provided that this is accompanied by an implementation work programme along the lines already developed with previous requests.

As regards the SPS Agreement, we propose that Members agree to extend for a further 3 years the transitional exemption from certain provisions for least developed countries¹.

WTO members requesting an extension of transition periods for the implementation of existing agreement could be invited to present a concrete plan on how they intend to ensure full implementation. In this context the possible need for adequate assistance should be considered.

Regarding the Subsidies Agreement, many WTO members had supported a review of Articles 6.1, 8 & 9 and the extension of such provisions pending such review. We are ready to discuss with other WTO members whether, and under what conditions, these provisions should be restored.

As regards TRIPS the EC is prepared to support the position adopted by most WTO Members, i.e. the moratorium on non-violation should be restored. We should support any decision to be taken by Members to that effect.

Regarding the Technical And Procedural Issues identified above relating to TBT, SPS, Agriculture and Services, the EC proposes that the General Council could take a decision to implement these proposals.

Regarding the proposal for an implementation work programme, the EC notes that even with adoption of the measures set out above, a number of implementation proposals made in the Seattle preparatory process still deserve detailed consideration. Members should be prepared to seriously take up the backlog of concerns, and to have a mechanism that, while allowing them to be individually discussed, subjects them to overview as an ensemble by the General Council. We propose therefore the launch of an

¹ The SPS Committee could be instructed to grant to least developed countries, in conformity with Article 10.3, a delay in the application of the provisions of the Agreement, other than paragraph 8 of Article 5 and Article 7, by a further period of three years with respect to their existing SPS measures affecting importation or imported products, where such application is prevented by lack of technical expertise, technical infrastructure or resources.

implementation work programme that would evaluate all other outstanding implementation questions and draw up appropriate recommendations. This programme, which would be a continuation of the work begun according to the May 1998 Ministerial Declaration, could be carried out by individual WTO Committees and Groups who should report regularly to the General Council. This would be comparable to what would have been agreed at Seattle. The implementation work programme should extend until the 4th ministerial conference which should consider how to address any problems that remain unresolved.

B. Other Decisions with Immediate Effect

In addition to the implementation issues discussed above, decisions could also have been taken in Seattle on the initiative to grant duty and quota free market access for least developed countries, on coherence between the WTO and the Bretton Woods institutions, and on adopting the results of the DSU Review. A decision was also to be taken at Seattle on a new deadline for finishing the work programme on harmonisation of rules of origin, and it was expected that further work on electronic commerce might have been agreed.

Proposed Approach

The EC continues to attach the highest importance to its initiative on the granting of duty free and quota free access to essentially all products from least developed countries. Such access will provide tangible benefits for the poorest Members of the WTO, and be a mark of the WTO's credibility. We welcome the commitment of Japan and other trading partners to this initiative and propose that work proceeds expeditiously to adopt a decision on this matter.

Regarding the proposed decision on coherence and capacity building, the EC has made a separate submission to the General Council in which it recommends rapid action to develop a new approach to trade related technical assistance and capacity building in cooperation with other international organisations. This could be usefully complemented with a decision on coherence inviting the Director General to further pursue cooperation with the Bretton Woods Institutions building upon the Joint statement made in Seattle by the heads of the IMF, WB and WTO.

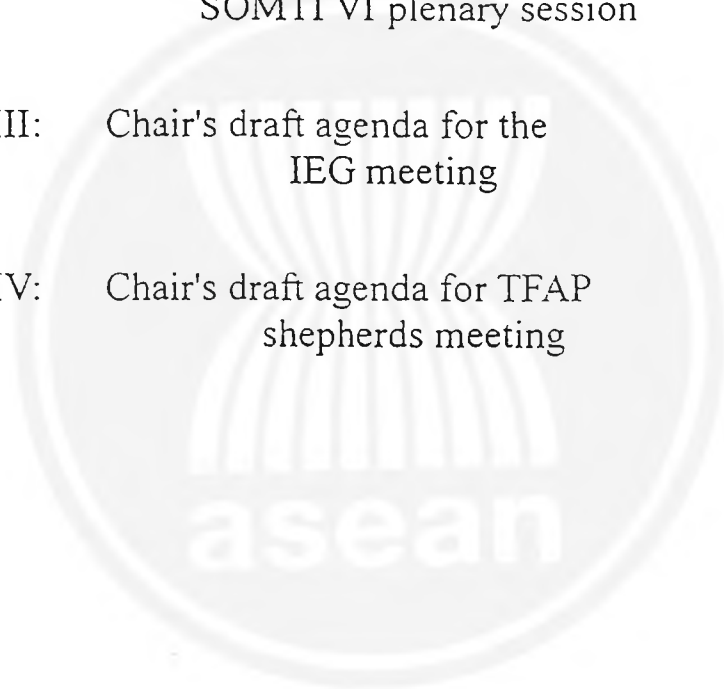
As regards the DSU review, the EC continues to attach importance to conclude the review in order to improve the functioning of the dispute settlement system. We also continue to favour the conclusion of ITA-II. Furthermore, electronic commerce should continue to be given the necessary attention in the WTO.

Regarding the harmonisation work programme for rules of origin, we agree that all efforts should be made to seek to complete the work by end-2000 and, in any case, no later than the 4th Ministerial.

March 22, 2000

Documents for SOMTI VI

- Annex I : Chair's draft programme
- Annex II : Chair's draft agenda for the
SOMTI VI plenary session
- Annex III: Chair's draft agenda for the
IEG meeting
- Annex IV: Chair's draft agenda for TFAP
shepherds meeting



**ASEM : SIXTH SENIOR OFFICIALS MEETING ON
TRADE AND INVESTMENT (SOMTI C)
FOURTH INVESTMENT EXPERTS GROUP(IEG C) MEETING
AND TFAP SHEPHERDS MEETING**

Seoul, 11-13 May 2000

CHAIR'S DRAFT PROGRAMME

Date	Time	Programme
Wednesday 10 May 2000	19h30-21h30	Optional : Informal dinner for IEG Shepherds
Thursday 11 May 2000	08h30 09h00-10h00 10h00 10h15-12h45 13h00-14h30 15h00-16h00 15h00-19h00 16h00-18h00 19h30-21h30	Registration IEG coordination meeting(ASIA) IEG coordination meeting(EU) Coffee break 4 th IEG meeting(I) Lunch for all IEG participants TFAP Shepherds Meeting 4 th IEG meeting(II)(Coffee break at 17h00) Economic coordinators meeting Dinner for all IEG/TFAP participants Dinner for economic coordinators
Friday 12 May 2000	08h30 09h00-10h00 10h00 10h15-12h15 12h30-14h00 14h30-15h30 16h00-17h00 17h30-18h30 19h30-21h30	Registration IEG coordination meeting(ASIA) IEG coordination meeting(EU) Coffee break 4 th IEG meeting(III) Lunch for IEG/TFAP shepherds Lunch for economic coordinators (to be confirmed) Regional coordination meeting(ASIA) Regional coordination meeting(EU) Economic coordinators meeting Regional coordination meeting(ASIA) Regional coordination meeting(EU) Welcoming dinner for all delegates
Saturday 13 May 2000	08h30 09h00-12h30 12h30-14h00 14h15-17h15	Registration SOMTI morning session Working lunch for heads of delegations Lunch (for SOMTI participants) SOMTI afternoon session

ASEM : SIXTH SENIOR OFFICIALS MEETING ON TRADE AND INVESTMENT (SOMTI I)

Seoul, 13 May 2000

CHAIR'S DRAFT ANNOTATED AGENDA FOR SOMTI PLENARY SESSION

1. OPENING REMARKS AND ADOPTION OF THE DRAFT AGENDA

Documents

- Draft annotated agenda (by Korea)

2. TRADE

Documents

- Full report on the implementation of the concrete TFAP goals (annexing comprehensive progress report on TFAP seminars(update) (by economic coordinators)
- Report on the consolidated and prioritized list of major generic trade barriers among ASEM partners (by economic coordinators)

Objectives

- To prepare the report by SOMTI for ASEM III on the status of TFAP deliverables/goals 1998-2000 in the seven priority areas
- To identify major generic barriers to trade among ASEM partners and to discuss further steps
- To prepare for forthcoming TFAP meetings

3. INVESTMENT

Documents

- Report on the fourth Investment Experts Group(IEG II) meeting and relevant annexes, including the progress report by ASEM partners on the most effective measures to attract foreign direct investment (by IEG Chair)
- Report on the obstacles to investment as identified by the business sector

Objectives

- To review the key findings and developments within the two pillars of IPAP
- To review the progress reports by partners on the most effective measures to attract foreign direct investment and to discuss further follow-up action

4. SYNERGIES BETWEEN TFAP AND IPAP

Documents

- Discussion paper on the synergies between TFAP/IPAP (by European Commission)

Objectives

- To discuss possible synergies between TFAP/IPAP in creating a climate favorable for trade and investment

5. INTERACTION WITH BUSINESS

Documents

- Report on the follow-up measures to be taken in respect of the recommendations of AEBF IV and other matters of importance to the business community (by economic coordinators)
- Report on the current status of the preparation for AEBF V (by Austrian organizer of AEBF V)

Objectives

- To review the status of official action to be taken regarding AEBF IV recommendations to the ASEM public sector
- To discuss with representatives of AEBF V the status of preparation
- To include in the agenda of SOMTI VII the report by AEBF on the best practice conditions governing private sector involvement in the field of infrastructure

6. WTO MATTERS

Documents

- Discussion paper (by European Commission)

Objectives

- To take stock of the situation of the WTO after Seattle, and the priorities and concerns of ASEM partners, with the aim of reaching an ASEM consensus on the launch of a new trade round as early as possible
- To discuss how ASEM partners can best work together both to facilitate the launch of the round and the future negotiations

7. RECENT ECONOMIC DEVELOPMENTS

Documents

- Lists of questions dealing with issues of concerns or interest to Asian and European partners

Objectives

- To enhance mutual awareness and understanding between Asian and European partners

8. PREPARATION OF THE THIRD ASEM SUMMIT

Documents

- Draft of AECF
- Paper outlining new economic initiatives (if any)
- Report on the preparations of ASEM III (by Korea)

Objectives

- To discuss and identify the main economic priorities to be considered at ASEM III for inclusion in an updated Asia-Europe Cooperation Framework (AECF) and Chairman's statement
- To discuss any proposals for new ASEM economic initiatives(if any)
- To share information on the preparation of the third ASEM Summit

9. ANY OTHER BUSINESS

Documents

- Draft Chair's statement

Setting the date and venue of SOMTI VII



**ASEM : SIXTH SENIOR OFFICIALS MEETING ON
TRADE AND INVESTMENT
4th INVESTMENT EXPERTS GROUP (IEG IV) MEETING**

Seoul, 11-12 May 2000

CHAIR'S DRAFT AGENDA

1. Opening Remarks and Adoption of the Draft Agenda
2. Pillar 1
 - Virtual Information Exchange
 - ASEMConnect
 - Business to Business Exchange
3. Pillar 2
 - Review of progress reports submitted by partners on the most effective measures to attract foreign direct investment
 - Review of obstacles to investments as identified by business sector
 - Presentations of national investment regimes by partners
4. Discussion of possible synergies between TFAP/IPAP
5. Conclusions
 - Draft Chair's statement

(As of March 22, 2000)

**ASEM : SIXTH SENIOR OFFICIALS MEETING ON
TRADE AND INVESTMENT**

TFAP SHEPHERDS MEETING

Seoul, 11 May 2000

CHAIR'S DRAFT AGENDA

1. INTRODUCTION

Document 1 : Draft agenda

2. PRIORITY AREAS

Document 2 : Comprehensive progress report on TFAP seminars (update)

3. ANY OTHER BUSINESS



DRAFT
(As of March 29, 2000)

DRAFT AGENDA FOR SOMTI PLENARY MEETING
Seoul, May 13, 2000

Time	S/N	Agenda Item	Time Allocation
9:00-9:10 am	1	<u>Opening remarks and adoption of the draft agenda</u> <u>Opening remarks</u> Lead Speaker(Asia) : SOMTI Chair Lead Speaker(Europe) : to be decided <u>Adoption of agenda</u>	10 min
9:10-9:50 am	2	<u>Trade</u> <u>Overall evaluation of TFAP deliverables and goals</u> Lead Speaker(Europe) : EU Commission Lead Speaker(Asia) : to be decided <u>Trade Barriers</u> Lead Speaker(Asia) : Korea Lead Speaker(Europe) : to be decided	20 min 20 min
9:50-10:30 am	3	<u>Investment</u> <u>Results of IEG /progress report on MEM</u> Lead Speaker(Asia):IEG Chair or IEG shepherds Lead Speaker(Europe) : to be decided <u>Investment Barriers</u> Lead Speaker(Europe) : to be decided Lead Speaker(Asia) : to be decided	20 min 20 min

DRAFT
(As of March 29, 2000)

Time	S/N	Agenda Item	Time Allocation
10:30-10:50 am		Tea/Coffee Break	
10:50-11:20 am	4	<u>Synergies Between TFAP and IPAP</u> <i>the possible synergies between TFAP/IPAP</i> Lead Speaker(Europe) : EU Commission Lead Speaker(Asia) : to be decided	30 min
11:20-12:00 am	5	<u>Interaction with Business</u> <i>follow-up of Recommendations by AEBF</i> Report by AEBF Lead Speaker(Europe) : EU Commission Lead Speaker(Asia) : to be decided <u>Briefing the Preparations for AEBF</u> Report by AEBF	30 min 10 min
12:00-12:30 pm	6	<u>Discussions on WTO</u> Lead Speaker(Europe) : EU Commission Lead Speaker(Asia) : Japan, (ASEAN)	30 min
12:30-2:00 pm		Lunch(with informal discussions on WTO matters) for HODs	1 1/2 hr
2:15-2:30 pm		<u>Discussions on WTO (to be continued)</u>	15 min

DRAFT
(As of March 29, 2000)

Time	S/N	Agenda Item	Time Allocation
2:30-3:30 pm	7	<u>Recent Economic Developments</u> <u>O/A on the issues of Regional Concerns and Interest</u> Lead Speaker(Asia) : Lead Speaker(Europe) : * region by region Q/A sessions	60 min
3:30-3:50 pm		Tea/Coffee Break	20 min
3:50-4:50 pm	8	<u>Preparation of the Third ASEM Summit</u> <u>Draft of AECF</u> Lead Speaker(Asia) : to be decided Lead Speaker(Europe) : to be decided <u>Review of new economic initiatives(if any)</u> Proposal by Partners <u>The third ASEM Summit</u> Report by Korea	30 min 20 min 10 min
4:50-5:15 pm	9	<u>Any Other Business</u> <u>Chair's statement</u> <u>Dates and Venue of SOMTI</u>	20 min 5 min

List of Documents Required for SOMTI VI

Seoul, May13, 2000

S/N	AGENDA ITEM ONE : OPENING	Prepared by
1	List of Delegations	
2	Program	
3	Draft Agenda	SOMTI Chair
4	Seating arrangements	
5	Logistical arrangements	
	AGENDA ITEM TWO : TRADE	
6	Statement of 2 nd Economic Ministers' Meeting (Oct 9-10, 1999, Berlin)	
7	Full report on the implementation of the concrete TFAP goals (annexing comprehensive progress report on TFAP seminars(update))	E c o n o m i c coordinators
8	Report on the consolidated and prioritized list of major Generic trade barriers among ASEM partners	E c o n o m i c coordinators
9	The Future of TFAP(adopted at EMM II)	
	AGENDA ITEM THREE : INVESTMENT	
10	Report on the 4 th Investment Experts' Group (IEG IV) Meeting and relevant annexes, including the progress report by ASEM partners on the most effective measures to attract foreign direct investment	IEG Chair or IEG shepherds
11	Report on the obstacles to investment as identified by the Business sector	IEG Chair or IEG shepherds
	AGENDA ITEM FOUR : SYNERGIES BETWEEN TFAP /IPAP	
12	Discussion paper on the synergies between TFAP/IPAP	EU Commission
	AGENDA ITEM FIVE : INTERACTION WITH BUSINESS	
13	Report on the follow-up measures to be taken in respect of the Recommendations of AEBF IV and other matters of Importance to the business community	E c o n o m i c coordinators
14	Report on the current status of the preparation for AEBF V	Austrian organizer of AEBF V
	AGENDA ITEM SIX : WTO MATTERS	
15	Discussion paper : Improving the functioning of the WTO : Suggestions for possible ways forward	EU Commission
	AGENDA ITEM SEVEN : RECENT ECONOMIC DEVELOPMENTS	
16	Lists of questions dealing with issues of concerns or interest to Asian and European partners	SOMTI Chair
17	Paper on ASEM Trust Fund	EU Commission
18	Paper on EFEX	EU Commission
S/N	AGENDA ITEM EIGHT : PREPARATION OF THE	Prepared by

	THIRD ASEM SUMMIT	
19	Draft of Asia-Europe Cooperation Framework	SOMTI Chair
20	Paper outlining new economic initiatives	Approx. 4-5 by Partners
21	The Third ASEM Summit, Oct 20-21, 2000, Seoul/Korea -Draft Agenda	Korea
	AGENDA ITEM NINE : ANY OTHER BUSINESS	
22	Draft Chair statement	SOMTI Chair



**List of Documents Required for
ASEM TFAP Shepherds Meeting**
Seoul, May 11, 2000

No	Name	Prepared by

1	Draft Agenda	
2	List of Delegations	
3	Comprehensive progress report on TFAP seminars(update)	EU Commission
4	TFAP Framework	
5	TFAP Shepherds' Interim Report for EMM II (Oct 9-10, 1999, Berlin)	
6	TFAP contact points	(Korea)
7	The 2 nd ASEM/TFAP Seminar on SPS (Nov 23-26, 1999, Beijing)	China
8	The 6 th ASEM/TFAP Seminar on Standards and Conformity Assessment (Feb 28-Mar 1, 2000, Bangkok)	Thailand
9	The 2 nd ASEM/TFAP Seminar on IPR (Mar15-18, 2000, Bangkok)	Thailand
10	The 4 th Procedures Working Group Meeting (Apr 14-15, Brussels) (Customs DG-Commissioners)	EU Commission
11	Enhancing distribution between Asia and Europe	Singapore and Belgium

List of Documents Required for
ASEM IEG IV Meeting

Seoul, May 11-12, 2000

No	Name	Prepared by
1	Program	
2	Draft Agenda	
3	List of Delegations	
4	Seating arrangements	
5	Virtual Information Exchange (VIE)	EU Commission

6	ASEMConnect	Singapore
7	Business to Business Exchange	EU Commission
8	Progress reports submitted by partners on the most effective measures to attract foreign direct investment	IEG shepherds
9	Report on obstacles as identified by business sector	IEG shepherds
10	Presentations by partners on national investment regime	Approx.6 partners
11	Discussion paper on the synergies between TFAP/IPAP	EU Commission
12	Draft Chair's statement	IEG Chair
13	IEG contact points	EU Commission





THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 26





United Nations
Conference
on Trade and
Development

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Tenth session
Bangkok, Thailand
12-19 February 2000

Bangkok Declaration:
Global Dialogue and Dynamic Engagement

We, the member States of the United Nations Conference on Trade and Development, gathered in Bangkok, Thailand, between 12-19 February 2000, for the tenth session of the Conference, agree and declare:

The Setting

1. We came to Bangkok to deliberate on developmental strategies in an increasingly interdependent world, and on how to make globalization an effective instrument for development. In the context of the opportunities created by the technological revolution, the opening of markets, and globalization, the paramount objectives of our endeavours have been the promotion of growth and sustainable development, and the quest for equity and participation by all. Our deliberations have reminded us of the enormity and the urgency of the challenge of translating broadly agreed concepts into effective action. We leave Bangkok with the conviction that we will be able to advance in the effort of achieving more effective coordination and cooperation among governments and among international institutions in dealing with global interdependence and development.

2. Globalization is an ongoing process that presents opportunities, as well as risks and challenges. It has expanded the prospect for technological advances and for effective integration into the international economy. It has increased prosperity and the potential for countries to benefit. However, globalization also raises the risk of marginalization of countries, in particular the poorest countries, and the most vulnerable groups everywhere. Income gaps within and among countries remain wide, and the number of people living in poverty has increased. Asymmetries and imbalances in the international economy have intensified. Instability in the international financial system continues to be a serious problem and requires urgent attention.

3. The tenth United Nations Conference on Trade and Development took place in a country and a region that were at the centre of one of the most severe financial and economic crises of recent times, which had an adverse effect on almost all developing countries. Despite their adverse economic and social impact, crises can act as catalysts; they tend to focus the mind and the will of Governments and peoples on decisive action to face the difficulties. This happened, for example, in East and South-East Asia. Within a relatively short period, through various sound national responses, and with the cooperation of the international community, the countries concerned have been able to meet the challenge of resuming growth and are now emerging from the crisis with a renewed sense of confidence. This demonstrates the power of human spirit when it mobilizes collective efforts to address the challenges of globalization.

4. Formidable challenges remain. Countries affected by the crisis have had to address their structural problems, which have been magnified by social and human suffering and dislocation. They must, with the assistance of the international community, define strategies that will strengthen and sustain growth while allowing for a rapid return to the levels of human and social development seriously undermined by the crisis. They must also transform their institutions into efficient instruments for the implementation of these strategies. The qualities that characterized East and South-East Asia and that are common to all success stories of development remain valid: sound macroeconomic fundamentals, improved governance, high savings rates, investment in human resources, sustainable use of natural resources, strong partnership between the public and private sectors, and export orientation. These characteristics are among the necessary conditions for sustained economic growth and sustainable development. We must take purposeful action to avoid, and mitigate the risks of, future crises. In addition to national efforts, the international community as a whole has the responsibility to ensure an enabling global environment through enhanced cooperation in the fields of trade, investment, competition and finance and to contribute to currency stability so as to make globalization more efficient and equitable.

A New Beginning

5. As the first major intergovernmental economic and development conference of the century, UNCTAD X has provided us with a unique opportunity to take stock of and reflect on recent experiences of globalization, to examine strengths and weaknesses in past approaches and policies, and to identify the major challenges ahead: ensuring the effective integration of all countries into the international trading system; improving supply capabilities; overcoming the debt problem; strengthening the commitment to social development; ensuring women's political, economic and social participation; generating adequate financial flows for development, including addressing the declining trend of Official Development Assistance (ODA) and its effective use; undertaking institutional reforms; reducing financial volatility; and enhancing the technological capabilities of developing countries. It has allowed the international community to focus on the central problems of recent decades, notably acute poverty and growing inequality within and among nations, problems which are threatening international stability. In an increasingly knowledge-intensive world, support for knowledge-based development is necessary for effective participation of developing countries in the world economy.

6. Globalization can be a powerful and dynamic force for growth and development. If it is properly managed, the foundations for enduring and equitable growth at the international level can be laid. For that, it is essential to persevere in the search for consensual solutions through open and direct dialogue that takes account of the fundamental interests of all.

7. The Bangkok Conference has particularly emphasized the need for increased policy coherence at the national and international level. There should be complementarity between macroeconomic and sectoral policies at the national level and between policies at the national and international level. There is also a need for more effective cooperation and coordination among multilateral institutions. National and international institutional frameworks should be strengthened accordingly.

8. Many countries have difficulty in coping with the increased competition and lack the capacity to take advantage of the opportunities brought about by globalization. This requires a decisive effort in favour of those at risk of marginalization. In this regard, Africa, which has as much potential as any other region, should be given special attention. For the international community, just as for each and every national society, the ultimate test lies in the way it treats the weaker members of the community. In this context, the Conference emphasizes the importance of the forthcoming Third United Nations Conference on the Least Developed Countries, and urges the international community to contribute towards its success.

9. Solidarity and a strong sense of moral responsibility must be the guiding light of national and international policy. They are not only ethical imperatives, but also prerequisites for a prosperous, peaceful and secure world based on true partnership. Such partnership requires more inclusive, transparent and participatory institutional arrangements for international economic decision-making so as to ensure that the benefits of globalization are accessible to all on an equitable basis. In addition, the success of international development efforts depends on account being taken of all stakeholders, including the private sector, non-governmental organizations (NGOs) and academia.

10. The Conference emphasizes commitment to a multilateral trading system that is fair, equitable and rules-based and that operates in a non-discriminatory and transparent manner and in a way that provides benefits for all countries, especially developing countries. This will involve, among other things, improving market access for goods and services of particular interest to developing countries, resolving issues relating to the implementation of World Trade Organization (WTO) agreements, fully implementing special and differential treatment, facilitating accession to the WTO, and providing technical assistance. The Conference reiterates that all countries and international organizations should do their utmost to ensure that the multilateral trading system fulfils its potential in terms of promoting the integration of all countries, in particular the least developed countries, into the global economy. A new round of multilateral trade negotiations should take account of the development dimension. Securing early progress on all these issues remains a matter of urgency for the international community. The Conference emphasizes the role and contribution of regional integration in this process.

Open Dialogue and Full Engagement

11. As the focal point within the United Nations for the integrated treatment of development and the interrelated issues in the areas of trade, finance, investment, technology, and sustainable development, UNCTAD must make a substantial contribution to the pursuit of development objectives. It must also play an active role in consensus building around well-defined trade supporting and development issues.

12. One contribution of UNCTAD X and its preparatory process has been the achievement of open dialogue and frank exchanges of views. A large measure of agreement was possible in Bangkok on the shared moral commitment to a better and fairer world. UNCTAD's work can serve to address the challenges and opportunities of globalization and inform an open and systematic debate on diverse development-related issues of global interest among partners in the development process, including the private sector, NGOs, academia and parliamentarians. It should pursue this open dialogue to help shape international economic relations in the twenty-first century.

13. The Conference has brought together development partners to propose practical and meaningful solutions. It has inspired reasons for hope in the possibility of creating a fairer and better world economic system, alleviating poverty, redressing imbalances, and improving the protection of our environment, as well as offering all people security and growing opportunities to raise their standards of living and lead a full and meaningful life. We have agreed on a Plan of Action to guide this process. We must all now work together to turn hope into reality.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 27



Agenda Item 11.5

Highlights of the Regional Workshop on Competition Policy 6-10 March 2000, Bangkok, Thailand

Introduction

As a follow-up to the SEOM 4/30's decision on Australian offer to provide technical assistance on Competition and Consumer Protection to ASEAN, the Australian Competition & Consumer Commission (ACCC) organised a workshop on competition policy "Making Markets Work" and it was held on 6-10 March 2000 in Bangkok, Thailand.

2. The main objective of the workshop was to provide technical assistance to ASEAN countries on competition policy and consumer protection, an area that is quite new for a majority of ASEAN countries. This first competition policy workshop was also aimed at finding the most efficient way to improve public awareness on competition policy/competition law and consumer protection in the ASEAN region.

3. The Workshop was attended by 30 participants from all ASEAN member countries and 30 participants from Australia, Chinese Taipei, Hong Kong, India, Japan, Korea, Macau, New Zealand, Papua New Guinea, Republic of China, Consumers International, UNCTAD and the World Bank.

Issues discussed at the workshop

4. The following issues were discussed during the workshop:

- (i) The current competition policy environment of China, Taiwan and competition laws and competition policy work programmes in the ASEAN region;
- (ii) Development of a resource centre for competition policy/laws in the ASEAN region;
- (iii) The role and objectives of such a resource centre;
- (iv) Key elements of effective competition, consumer protection and economic regulatory regimes;
- (v) Practical details of how competition cases are initiated, investigated and resolved; and
- (vi) Effective enforcement and information strategies.

Recommendations arrived from the workshop

6. The workshop recommended the establishment of “a virtual resource network”. The goals, the role and activities of resource network would be:

The goals: To provide technical training for policy makers, enforcement officers and private sector participants; implement consistent and effective national frameworks for competition, consumer protection and economic regulation; create mechanisms which facilitate access to information in the region about competition, consumer protection and economic regulation; establish the best practice policy development covering competition, consumer protection and economic regulation; achieve social stability, and consider economic governance issues and increase capacity for resource sharing.

The role: To strengthen the institutional, organisational and technical capacity of economies in the region to implement effective competition, consumer protection and economic regulatory regimes; to facilitate exchange of information and technical and organisational capacity building.

The activities: Organising training/exchange and research programmes, collecting information and maintaining a central register of laws and regimes applied in the economies in the region, reviewing legislation and providing an assessment of the process.

7. The workshop also recommended the establishment of “a steering committee” to develop an action plan/ a work programme for resource network and it would be circulated to all workshop participants for their comments. The participation in the committee would be based on individual interest.

8. With regard to the funding for the Resource Network, ASEAN participants expressed their view that they would prefer that AusAID (Australian Agency for International Development) or other multilateral institutions provide funding for the resource network.

Observations

9. It was observed that at present, only two ASEAN countries (Indonesia and Thailand) have competition laws and one country (Malaysia) have a consumer protection act and all these laws/act were enacted recently (in 1999). Competition policy/law and consumer protection issues are new issues for a majority of ASEAN countries. Therefore, further educative process i.e., training, workshops, seminars and etc. are needed.

10. The participants expressed their need for the Resource Network such as training for officials who are working in competition and consumer protection by ways of workshops, seminars and exchange/attachment programmes; assistance for carrying out a study on the status of competition policy for their respective regions and identifying ways and means to improve it; and exchange of information on best practices.

11. The ACCC informed the workshop that they would request continuous assistance from the Australian government to organise future competition policy workshops. The ACCC would develop a detailed work programme in conjunction with the steering committee as well as inputs from all workshop participants. The detailed work programme for the resource network will be discussed at the next workshop.

12. The administrator of the APEC Competition Policy and Laws Database, Taiwan Fair Trade Commission, informed the workshop that they will allow access to all economies (whether APEC or non-APEC economies) to their competition policy and law database.

13. In informal discussions between the ASEAN Secretariat and the UNCTAD participant concerning technical and financial assistance, Mr. Hassan Qaqaya, Chief, Advisory Services and Capacity Building of UNCTAD informed the Secretariat that UNCTAD has four priority areas for funding: including trade integration, trade liberalisation and competition policy. He suggested that if ASEAN needs assistance from UNCTAD on this particular project, it should send a project proposal before April 2000, so that it would be included in UNCTAD's coming two-year programme.

***The Meeting may wish to
note the outcome of the Competition Policy Workshop.***

***The Meeting may wish to suggest areas
on competition policy for possible assistance by UNCTAD.***



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 28



Agenda Item 11.8

Highlights of ASEAN SOM Hua Hin, Thailand, 16-17 March 2000

This paper highlights for SEOM's information and consideration two major issues discussed at the ASEAN-SOM in Hua Hin, Thailand, on 16-17 March 2000.

Proposed New Annual ASEAN Summit

2. The ASEAN-SOM agreed to recommend to the 33rd AMM in Bangkok in July 2000 to do away with the current arrangement of holding formal ASEAN Summit every three years and informal ASEAN Summits in between. Under the proposed new tentative arrangement, which is attached in **Annex I**, there will be an annual working Summit starting with the Seventh ASEAN Summit in Brunei Darussalam in 2001. And there will be only one cycle of alphabetical rotation. This means Cambodia shall host the Eighth ASEAN Summit in 2002, and so on.
3. ASEAN-SOM has requested Member Countries to provide additional comments and suggestions so that the proposed new tentative arrangement could be further revised before it is submitted to the 33rd AMM.
4. If the recommendation is endorsed at the 33rd AMM, it will be submitted for consideration of the ASEAN Leaders at the Fourth ASEAN Informal Summit in Singapore.
5. Singapore is proceeding with its preparations for the Fourth ASEAN Informal Summit, which has been scheduled on 24-25 November 2000. Earlier there was a request from the ROK that ASEAN consider re-scheduling the Fourth ASEAN Informal Summit to have it closer to the forthcoming APEC Economic Leaders Meeting in Bandar Seri Begawan. But ASEAN Member Countries as well as China and Japan concurred that the original schedule should be maintained.

SEOM may wish to take note of the above developments.

ASEAN-SOM + 3 Meeting

6. ASEAN-SOM will be holding a meeting with its counterparts from China, Japan, and the ROK in Bangkok, Thailand in the morning of 26 July 2000 to prepare for the ASEAN+3 Foreign Ministers Meeting in the afternoon of the same day. The ASEAN-SOM in Hua Hin took note of the suggestion of the Secretary-General of ASEAN that, given the fact that the Joint Statement on East Asia Cooperation covers activities in economic and finance cooperation, economic and finance officials could also take part in the ASEAN+3 SOM.

SEOM may wish to consider the suggestion.

Proposed Arrangements for the New Annual ASEAN Summit

ASEAN-SOM recommends the following arrangements for the new annual ASEAN Summit:

- There shall be only one alphabetical rotation among the Member Countries to host the annual ASEAN Summit, starting with the Seventh ASEAN Summit in Brunei Darussalam in 2001. The next one in Cambodia in 2002 shall be the Eighth ASEAN Summit, and so on.
- There shall be no Joint Ministerial Meeting to prepare for an ASEAN Summit
- There will be no set agenda for the Summit, except an indicative list of topics for discussion.
- ASEAN Leaders arrive at the venue of the Summit in time to have a working lunch. There will be no elaborate welcome ceremony, courtesy call on the Host Leader of Head of State, and no opening ceremony.
- After the working lunch, the ASEAN Leaders start their meeting in a plenary session. Apart from opening remarks by the Host Leader, there will be no other formal speeches.
- In the evening of the first day of the Summit, there will be a dinner to which the ASEAN Leaders and the Leaders of China, Japan and the Republic of Korea shall be invited.
- In the morning of the second day, there shall be a plenary session of ASEAN+3 Leaders, which will be followed by a working lunch of ASEAN+3 Leaders. Apart from opening remarks by the Host Leader, there will be no other formal speeches.
- In the afternoon, there shall be three successive ASEAN+1 Summits, starting with ASEAN + China, followed by ASEAN + Japan and ASEAN + Republic of Korea.
- The Host shall be responsible for keeping a verbatim record of discussions in all the meetings (ASEAN Summit, ASEAN +3 and ASEAN + 1 Summit).
- Unless otherwise agreed upon in advance, there shall be no declaration of the ASEAN Summit or joint statements of the ASEAN + 3 or ASEAN + 1 Summits.
- The Host, however, may issue press statements to inform the general public of the outcome of the ASEAN Summit, the ASEAN+ 3 and ASEAN + 1 Summits.



THE SECOND ASEAN SENIOR ECONOMIC OFFICIALS MEETING OF
THE THIRTY-FIRST ASEAN ECONOMIC MINISTERS MEETING (SEOM 2/31)

Vientiane, Lao PDR, 4-5 April 2000

ANNEX 29



Symposium on ASEAN-Andean Cooperation in the New Millennium
28-29 April 2000, MFA's Auditorium, Bangkok

RATIONALE :

Globalization has implications for the relationships not only between the individual countries but also groups of countries including the EU, NAFTA, MERCOSUR, Andean Community and ASEAN, as well as the development within each regional grouping. Regionalism may in one hand be a step on the way to multilateralism and a mean on the other hand to the global economic, social and technological interdependence.

Apart from their stated internal goals, regional groupings, particularly the medium economies, like ASEAN and the Andean Community, may need to establish linkages between them in order to strengthen their competitive advantages in this globalized world.

This Symposium will be a unique opportunity for accelerating the process of establishing strategic partnership between ASEAN and the Andean Community for their mutual interest and eventual benefit.

OBJECTIVES : The Symposium aims, among other things, to

- *Promote better understanding in and realization of each other's potentials.*
- *Enhance closer political, economic, social and technological relationship.*
- *Establish strategic partnership between the two regional groupings.*
- *Explore potential cooperative activities in each areas of common interest.*
- *Encourage more contact and collaborative action in all sectors.*

PROGRAMME :

The Secretaries-General of ASEAN and the Andean Community shall firstly deliver their introductory assessment on the potentials of mutual cooperation from each side's perspective. The Symposium shall then proceed with a round table discussion on ASEAN-Andean cooperation in economics, science and technology, tourism and HRD by a group of panelists from both sides. Site visit to industrial estate will be arranged for participants to get first hand information from international investors.

PARTICIPANTS :

The Symposium is open to all interested parties from ASEAN and the Andean Community including government officials, business executives, academics, media and general public.

LANGUAGE :

The Symposium shall be conducted in English.

DATE AND VENUE :

The Symposium will be held on 28-29 April 2000 at the Auditorium, located at the ground floor of the MFA Building, Sri Ayudhya Rd., Bangkok.

SECRETARIAT : For further information and inquiry please contact

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Symposium on ASEAN-Andean Cooperation in the New Millennium

28-29 April 2000, Ministry of Foreign Affairs, Bangkok

(Programme of Activities)

Friday, 28th April 2000**Morning Session**

- Opening Ceremony: Keynote Speech by FM
- Coffee Break
- Presentation by SG of Andean Community on "ASEAN-Andean Cooperation: An Andean Perspective"
- Presentation by SG of ASEAN on "ASEAN-Andean Cooperation: An ASEAN Perspective"
- Lunch

Afternoon Session

-Round Table Discussion on ASEAN-Andean Cooperation in Economics, Science and Technology, Tourism and HRD by representatives from:

- ASEAN Business Sector
- Andean Business Sector
- Ministry of Science, Technology and Environment of Thailand
- AUN
- TAT
- BOI
- Q & A

-Coffee Break

-Closing Remarks by PS/DPS/ASEAN DG

Evening

-Reception hosted by FM

Saturday, 29th April 2000**Visit to Potential ASEAN Exporters and Manufacturers**
