



**THE TWENTY-EIGHTH AEM – CLOSER ECONOMIC RELATIONS (CER)  
CONSULTATION  
22 August 2023, Semarang, Indonesia**

**JOINT MEDIA STATEMENT**

1. The Twenty-Eighth AEM-Closer Economic Relations (AEM-CER) Consultation met on 22 August 2023. The Consultation was co-chaired by H.E. Dr. Jerry Sambuaga, Vice Minister of Trade, Indonesia; the Hon Tim Watts MP, Assistant Minister for Foreign Affairs, Australia; and the Hon Rino Tirikatene, Minister of State for Trade and Export Growth, New Zealand. The Meeting also welcomed H.E. Filipus Nino Pereira, Minister of Commerce, and Industry, Democratic Republic of Timor-Leste who joined the Meeting as an observer.

2. The Meeting noted that the economies of ASEAN, Australia, and New Zealand have strengthened their recovery from the COVID-19 pandemic over the past year and economic growth has regained momentum. The two-way trade between ASEAN and Australia increased by 38.7 per cent, from USD 75.6 billion in 2020-21 to USD 104.8 billion in 2021-22, based on Australia's data. The Meeting also noted the total two-way trade between ASEAN and New Zealand increased by 37.34 per cent from USD 12.24 billion in 2021 to USD 16.81 billion in 2022, based on New Zealand's data. According to Australia's and New Zealand's data, Australia's foreign direct investment (FDI) flow to ASEAN in 2022 amounted to USD 19.7 billion (an increase of 4.86 per cent), while New Zealand's FDI flow to ASEAN for the same year was valued at USD 51.48 million (an increase of 1.84 per cent).

3. The Meeting exchanged views on the regional and global challenges, such as the lingering impact of the pandemic, climate change, heightened volatility in the global financial market, inflationary pressures, and geopolitical tensions that impact global food and energy security, all of which could potentially affect economic and trade relations between ASEAN, Australia, and New Zealand. The Meeting emphasised that, to navigate the challenging global environment, a stronger and impactful cooperation is essential. The Meeting therefore tasked officials to explore ways to embed practical activities of mutual interest that will mitigate the effects of these global challenges on the ASEAN-CER economic relationship, especially in sustainable development, digital transformation, and supply chain resilience.

4. The Meeting recognised that climate change has negative economic impacts and negative impacts to basic needs for human life such as food, water, energy, clean and green environment, and health including the supporting ecosystem, and that vulnerable groups, including women, children, older people, people with disabilities

and low-income people are disproportionately affected by the adverse impacts of climate change. The Meeting expressed serious concerns about the compounded socio-economic impacts of climate change on the most vulnerable groups.

5. The Meeting underscored that women's economic empowerment is crucial to the achievement of economic stability, economic prosperity, future growth and sustainable development in our region. The Meeting emphasized the need to strengthen institutional mechanisms for women's economic empowerment, including through mainstreaming gender equality and social inclusion.

6. The Meeting noted that the geopolitical tensions in some parts of the world continue to impact the global economy, i.e., constraining growth, contributing to inflationary pressures, disrupting supply chains, heightening energy and food insecurity, and elevating financial stability risks. The Meeting joined the call of ASEAN at the 56<sup>th</sup> ASEAN Foreign Ministers' Meeting for compliance with international law, including the UN Charter, as well as for a peaceful conflict resolution. The Meeting affirmed its commitment to exert utmost efforts to enhance cooperation between Parties to mitigate the economic impact of these geopolitical tensions to the region as well as to their bilateral trade and economic relations, particularly on issues related to food and energy security.

7. The Meeting welcomed the signing of the Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA). The Meeting highlighted that the upgraded AANZFTA provided value-added elements which take into account modern trade practices and the need to accelerate supply chain integration and resilience, including introduction of new chapters on government procurement, trade and sustainable development, and micro, small and medium enterprises (MSMEs). Additionally, it also provided new provisions on trade in goods and customs procedures, including facilitating trade of essential goods during humanitarian crises, such as addressing related non-tariff measures issues; education services; enhanced provisions on electronic commerce in facilitating electronic payments; competition and consumer protection; rules of origin; trade in services; and investment. The Meeting looked forward to the entry into force of the Second Protocol by all AANZFTA Parties and its timely implementation.

8. The Meeting expressed appreciation to Australia and New Zealand for their support to the AANZFTA through the AANZFTA Implementation Support Program (AISP) under the Regional Trade for Development (RT4D) Facility. The Meeting welcomed the 2023 AANZFTA implementation Support Programme Economic Cooperation Work Plan. The Meeting noted the development of the AANZFTA Strategic Directions and Priorities (ASDP) and Sectoral Strategic Directions and Priorities (SSDPs) and looked forward to their completion. The Meeting welcomed the *Communications Package for the 28<sup>th</sup> AEM CER Consultation on the implementation of AANZFTA Support Programme*, which aims to create accessible resources to ensure that businesses, especially MSMEs, understand the benefits of the AANZFTA and leverage it to increase their competitiveness.

9. The Meeting welcomed the completion of the ASEAN-CER Integration Partnership Forum (IPF) research on the barriers faced by MSMEs in participating in international trade, and tasked officials to take into account the recommendations on

addressing these barriers in developing economic cooperation programme for MSMEs.

10. The Meeting encouraged ASEAN-CER IPF to continue being a platform for sharing best practices and relevant experiences to advance ASEAN-CER economic integration including in areas of mutual interest such as removing trade barriers, digital transformation, sustainable development, and supply chain resilience. The Meeting looked forward to the 11<sup>th</sup> ASEAN-CER Integration Partnership Forum in 2024.

11. The Meeting reaffirmed its commitment to a rules-based, non-discriminatory, open, free, inclusive, equitable, and transparent multilateral trading system with the World Trade Organization (WTO) at its core. The Meeting also highlighted its support to strengthen the WTO, including through a fully and well-functioning dispute settlement system accessible to all WTO members by 2024. The Meeting also expressed its determination to collaborate and coordinate on areas of common interest and contribute to the success of the 13<sup>th</sup> WTO Ministerial Conference (MC13) scheduled to be held in Abu Dhabi, United Arab Emirates in 2024.

12. The Meeting reaffirmed its commitment to support ASEAN Centrality in the evolving regional architecture as specified in the ASEAN Outlook on the Indo-Pacific (AOIP). The Meeting underscored the importance of multilateralism, adherence to international law, and respect for sovereignty in contributing to global and regional peace, stability, and prosperity. The Meeting looked forward to promoting cooperation between ASEAN, Australia, and New Zealand, in line with the four key areas identified in the AOIP, namely connectivity, maritime cooperation, sustainable development goals (SDGs), and economic and other possible areas of cooperation, to promote mutual trust, mutual respect, and mutual benefit through ASEAN-led mechanisms, as well as to contribute to peace, stability, and prosperity in the region.

13. The Meeting affirmed its commitment to support Timor-Leste to be an ASEAN Member State by providing technical assistance, capacity building and other support to facilitate Timor-Leste's integration into the mainstream of ASEAN-CER economic relations. The Meeting also encouraged the Timor-Leste government to intensify efforts towards the preparations for ASEAN membership.

14. The Meeting welcomed the opportunity to obtain direct feedback from Australia-ASEAN Chamber of Commerce (AustCham ASEAN) and ASEAN-New Zealand Business Council (ANZBC). Insights proposed by AustCham ASEAN and ANZBC will inform and be critical to strengthen economic integration and to enhance trade and investment in the region. The Meeting commended the initiative to publish an annual "Doing Business in ASEAN Survey" (AustCham) and annual "ASEAN NZ Trade Survey" (ANZBC), which are critical to understand barriers of doing business in the region and also highlights new opportunities to deepen collaboration between ASEAN, Australia, and New Zealand.

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