

Third ASEM Economic Ministers' Meeting, Hanoi, 10-11 September, 2001

Chair's Statement

1. The third ASEM Economic Ministers' Meeting (EMM 3) was held in Hanoi on 10th and 11th September 2001. It was attended by Ministers for economics, trade and industry from ten Asian countries, with Viet Nam and China as Asian Coordinators, and fifteen European nations, with Belgium acting as President of the Council of the European Union, and by the European Commissioner responsible for trade. The meeting was chaired by H.E. Mr. Vu Khoan, Minister of Trade of the Socialist Republic of Vietnam. Ministers warmly welcomed the participation of the Asia-Europe Business Forum, which was represented by Mr. Stephen Lee, Chairman of the Sixth Asia-Europe Business Forum (AEBF 6).
2. Ministers were honourably welcomed by H.E. Mr. Phan Van Khai, Prime Minister of the Socialist Republic of Viet Nam. During his welcome speech, H.E. Mr. Phan Van Khai stressed the importance of a strengthened Asia and Europe partnership in the age of globalisation and information technology and pointed out the significant contribution that the Third ASEM Economic Ministers' Meeting can bring to further boost trade and investment flows between and among Asia and Europe, as well as to benefit from the economic synergy of the two regions.

Strengthening the economic relationship

3. Ministers reviewed progress made since the Second ASEM Economic Ministers' Meeting in Berlin and looked forward to further practical achievements in trade exchange between Asia and Europe.
4. Ministers reviewed progress in the implementation of the Trade Facilitation Action Plan (TFAP). They welcomed the achievements made in the different priority areas of TFAP towards the realisation of TFAP Goals 2000-2002. Ministers in particular noted the various seminars and meetings held in areas of Public Procurement, Customs Procedures, Trade Facilitation and Electronic Commerce as activities which contributed to a better understanding between Asia and Europe. They also welcomed the current approach to TFAP, where each ASEM partner reports regularly on a voluntary basis on the measures that each has taken to reduce and remove generic barriers to trade. Ministers agreed to accelerate the implementation of TFAP by enhancing the use of the existing structure to achieve deliverables in the agreed priority areas. Ministers noted that some TFAP areas could potentially benefit from reinforced efforts to achieve greater progress. In this context, Ministers supported initiative to start working on paperless custom procedures within ASEM framework and to be reported to the next Ministerial Meeting. They encouraged SOMTI to identify certain important obstacles common to ASEM partners in each priority area and then intensify their activities to reach concrete results. They further encouraged SOMTI to identify best practices in the reports of ASEM partners on overcoming generic barriers to trade with the view to adopting them as collective work projects. To this effect, they instructed SOMTI to find ways to develop a uniform template for the ASEM partners' reports on TFAP's eight priority areas in order to enhance efficiency and transparency of the reports.
5. Ministers welcomed achievements made in the Investment Promotion Action Plan (IPAP). They noted particularly the improvement of the investment climate in the region, through measures taken to overcome obstacles to investment, and implementation of Most Effective Measures to attract foreign direct investment (MEMs), as well as the maintenance of ASEM Investment Online webpage AIO (www.europa.eu.int/aio, formerly Virtual Information Exchange). Ministers encouraged ASEM partners to intensify their work in this field to further enhance investment flows between Asia and Europe.
6. Ministers agreed to extend the mandate of the Investment Experts Group (IEG) for another two year period, continuing with the present terms of reference, and the work programme identified by the Fifth Investment Experts Group. This work shall include investment promotion as well as

other activities, addressing obstacles to investment and using the Most Effective Measures endorsed at the last Ministerial Meeting.

7. In line with the Asia-Europe Cooperation Framework (AECF) 2000, Ministers took note of proposals by Vietnam on ASEM cooperation in selected industrial sectors of common interest, for example, agro-technology, food processing, bio-technology, environmental technology, information technology and telecommunication, transportation and energy. They tasked SOMTI to use the existing ASEM frameworks, e.g. TFAP, IPAP, and AEBF without duplication with other ASEM activities such as those under the Science and Technology Ministers' Meeting and the Environment Ministers' Meeting to consider those proposals and strengthen ASEM cooperation and dialogues in these industries.

Interaction with business

8. Ministers welcomed the continuing close interaction with the activities of the Asia-Europe Business Forum (AEBF) and encouraged the on-going dialogue on recommendations issued by AEBF. They took note of the outlook and priorities of AEBF 6, presented by Mr. Stephen Lee, Chairperson of AEBF 6. An AEBF website with e-conference capabilities has also been launched (www.aebf.net).
9. Ministers noted that, for the first time, AEBF 6 would provide a business matching session. The objective is to allow the SMEs in ASEM countries to establish contacts, to exchange views and experiences, and more importantly to explore possibilities for business partnerships. In view of this unique opportunity, Ministers encouraged participation of the private sector in AEBF 6 and looked forward to further effective measures to be taken by AEBF to address the concerns and problems faced by SMEs.
10. Ministers took note of efforts made by Italy in carrying out ASEM work on SMEs and examined specific problems faced by SMEs in the current economic context. In recognition of the important role played by SMEs in the economic growth of both Asia and Europe, Ministers reaffirmed the need to pay special attention to SMEs in the ASEM process and provide opportunities for them in the age of information and communication technologies. Ministers recommended SOMTI to encourage work in partnership with AEBF to consider formulating practical and concrete programmes in the promotion and development of SME activities between the two regions.

WTO

11. Ministers recalled the commitment of Leaders at ASEM III to work for the launch of a new WTO trade round at the earliest opportunity to promote global growth, prosperity and sustainable development and to meet the challenges of globalisation. That commitment remains undiminished. Mindful of the possible slowdown of the global economy, Ministers recognised the need for launching a new round as it can serve as a catalyst to revitalise the economy through further trade liberalization and strengthening of the rule-based multilateral trading system. Ministers expressed their political will and flexibility in building support for launching a round at the Fourth WTO Ministerial Conference in Doha.
12. To reach consensus on the launch of a round, Ministers agreed that the negotiating agenda should be sufficiently broad, and balanced to reflect the interests and concerns of all WTO members. The round should encompass further trade liberalisation, improvement, strengthening and development of WTO rules.
13. Ministers supported the positive and constructive manner in which the negotiations under the built-in agenda have been carried out and pledged to actively pursue these negotiations in good faith. Ministers also emphasised the importance of addressing implementation-related issues and concerns. They also supported efforts to improve transparency within the WTO.
14. Ministers also stressed the need to address the interests and concerns of developing and least-developed countries through various means, including, *inter alia*, special and differential treatment, improved market access and technical assistance for capacity building. Such an

approach would help these countries to participate fully in the WTO multilateral processes and benefit from the results of the new round of negotiations.

15. Ministers reiterated their support for the acceleration of the current accession negotiations of ASEM non-WTO members, based on mutually acceptable market access commitments and adherence to WTO rules, taking into account specific conditions and needs of the acceding countries. Ministers called for specific supporting and capacity building measures by ASEM partners to be provided to assist the accession negotiation process of ASEM non-WTO members.

Global economic developments

16. Ministers reviewed recent economic developments in both Asia and Europe. They noted that the economies of Asian ASEM partners would be affected by the global slowdown, especially in the export of manufactured and agriculture products. They noted the importance of developing appropriate social safety nets to mitigate the consequences of the downturn. They also noted that although economic fundamentals in the EU have substantially been improved in recent years, growth has been more seriously affected by the recent global development than previously assumed. However, the economic fundamentals are good and micro-economic and structural policies will continue to be supportive to growth. Ministers noted with concern recent developments in the world steel market. They expressed the hope that key world partners would not adopt any restrictions on steel trade and confirmed their readiness to work together to address issues faced by this sector.
17. Ministers underlined the importance of cooperation between Asia and Europe, in particular to learn from each other's regional cooperation efforts to strengthen the capacity of ASEM economies to cope with global economic slowdowns.
18. While examining the evolution of economic development in Asia and Europe, Ministers exchanged views on the impact that the process of globalisation had brought to the economy. Ministers took note of the positive and effective measures being taken by some ASEM partners to address new challenges created by a further integration in the world economy.
19. Ministers welcomed progress made with regard to bridging the digital divide, through initiatives taken by ASEM partners such as a seminar held in Tokyo on Digital Opportunity, Korea's initiative on Trans-Eurasia Information Network, including an arrangement to connect major research networks in Asia, and an Agreement between Korea and France to connect the two countries' networks by October 2001 as an initial bridge linking Asia and Europe. It was noted that the creation of new digital networks brings many opportunities for development, together with greater exposure to competition. The Ministers recognised the importance and the necessity to enhance technical cooperation in this field in a comprehensive, systematic and cohesive manner and requested SOMTI to assess the on-going cooperation programmes.

Next Ministerial Meeting

20. In line with the decision of the Third Summit to convene the Economic Ministers Meeting in 2002, it was agreed that the fourth EMM would be held in the second half of 2002 in Denmark.