



**THE 11th AEM-MOFCOM CONSULTATIONS
29 August 2012, Siem Reap, Cambodia**

JOINT MEDIA STATEMENT

1. The Economic Ministers from the ten ASEAN Member States and the Minister of Commerce of the People's Republic of China met on 29 August 2012 for the Eleventh AEM-MOFCOM Consultations. The consultation was co-chaired by H.E. Cham Prasidh, Senior Minister and Minister of Commerce, Cambodia and H.E. Chen Deming, Minister of Commerce of China.

2. The Ministers noted that China continued to be ASEAN's largest trading partner since 2009. Trade between ASEAN and China increased by 20.9% from US\$232.0 billion in 2010 to US\$280.4 billion in 2011. China has also maintained her position as the second biggest export destination for two consecutive years. According to ASEAN statistics, in 2011, ASEAN exported US\$145.7 billion, an increase of 28.9% compared to the previous year. Imports from China grew by 13.2% amounting to US\$134.7 billion. Balance of trade was in ASEAN's favour for the first time in 2011, with exports exceeding imports by US\$11.0 billion. According to the Chinese statistics for 2011, ASEAN is currently China's third largest trading partner, stepping up from fourth place in 2010.

3. The Ministers noted that according to ASEAN statistics, the foreign direct investment flow from China to ASEAN increased significantly by 117.0% from US\$2.7 billion in 2010 to US\$5.9 billion in 2011.

4. The Ministers were pleased to note that H.E. Madam Yang Xiuping, China's first resident Ambassador to ASEAN has been deployed to the country's permanent mission in Jakarta, Indonesia to promote and strengthen ASEAN-China strategic partnership.

ASEAN-China Free Trade Agreement

5. The Ministers welcomed the completion of tariff elimination for the Normal Track products of ASEAN 6 and China on 1 January 2012. The Ministers were pleased to note that these countries have also issued their respective legal enactments to implement their commitments in reducing tariff for products in the Sensitive List to 20% in 2012 and subsequently to 0-5% not later than 1 January 2018.

6. The Ministers looked forward to the signing of the Third Protocol to Amend the ASEAN-China Framework Agreement to provide the ASEAN-China Free Trade Agreement (ACFTA) Joint Committee (JC) a legal standing at the 15th ASEAN-China Summit in November 2012. At the 10th AEM-MOFCOM Consultations on 12 August 2011, the Ministers endorsed the establishment of the ASEAN-China FTA Joint Committee in place of the ASEAN-China Trade Negotiating Committee (ACTNC). The Joint Committee's main tasks will include overseeing, supervising, coordinating and reviewing the implementation of the Agreement.

7. The Ministers also looked forward to the signing of the Protocol to incorporate Technical Barrier to Trade and Sanitary and Phytosanitary into the Agreement on Trade in Goods during the 15th ASEAN-China Summit in November 2012.

8. The Ministers acknowledged the on-going efforts to review the Rules of Origin in the ACFTA and to finalise the text for Chapters on Customs Procedures and Trade Facilitation as soon as possible.

9. The Ministers emphasized the increasing contribution of services in an economy and urged remaining Parties to ratify the Protocol to Implement the Second Package of Specific Commitments under the Agreement on Trade in Services between ASEAN and China as soon as possible. The Protocol was signed on 16 November 2011 during the 14th ASEAN-China Summit and took effect on 1 January 2012.

Hong Kong's Request to Join the ACFTA

10. The Ministers took note of the positive findings of the Study on the Implications of Hong Kong's Accession to the ACFTA and welcomed ASEAN's positive consideration of Hong Kong's request to join the ACFTA. Ministers noted that further studies and domestic consultations would have to be undertaken to ensure a clearer understanding of the implications of Hong Kong joining the ACFTA. China requested ASEAN to start the consultations with Hong Kong on the accession issue at an earlier date.

Economic Cooperation

11. The Ministers noted the economic cooperation projects and activities under the ACFTA framework, which included the Workshop on Post China-ASEAN FTA Age held on 12-13 December 2011 in Guizhou, China; the Training of Trainers on Clean Technology and Energy Efficiency Practices for the Paper Industry held on 24-30 June 2012; and the forthcoming Workshop on Operational Certification Procedure which would be held on 27-31 August 2012 in Shanghai, China.

12. The Ministers were pleased with the success of the 8th China-ASEAN Expo (CAEXPO) held on 21-28 October 2011 in Nanning, China and looked forward to the 9th CAEXPO scheduled on 21-25 September 2012.

13. The Ministers noted that, in response to the initiative of formulating Pan Beibu Gulf (PBG) Economic Cooperative Roadmap on the 14th China-ASEAN summit, the 5th meeting of the Joint Expert Group on Pan Beibu Gulf Economic Cooperation was held in July 2012, during which it was agreed that experts from China and ASEAN Member States would form a working group to formulate the Roadmap with ADB's support.

14. China briefed the meeting that the Chinese side had been closely coordinating with ASEAN Connectivity Coordinating Committee (ACCC) to establish a consultation mechanism and convene the first meeting at the earliest possible date. The Ministers agreed to further push forward China-ASEAN connectivity cooperation.

⌘

LIST OF MINISTERS

1. **H.E. Pehin Dato Lim Jock Seng**, Second Minister, Ministry of Foreign Affairs and Trade, Brunei Darussalam
2. **H.E. Cham Prasidh**, Senior Minister and Minister of Commerce, Cambodia
3. **H.E. Chen Deming**, Minister of Commerce, China
4. **H.E. Gita Irawan Wirjawan**, Minister of Trade, Indonesia
5. **H.E. Nam Viyaketh**, Minister of Industry and Commerce, Lao PDR
6. **H.E. Dato' Sri Mustapa Mohamed**, Minister of International Trade and Industry, Malaysia
7. **H.E. U Tin Naing Thein**, Union Minister for National Planning and Economic Development, Myanmar
8. **H.E. Gregory L. Domingo**, Secretary of Trade and Industry, the Philippines
9. **H.E. Lim Hng Kiang**, Minister for Trade and Industry, Singapore
10. **H.E. Boonsong Teriyapirom**, Minister of Commerce, Thailand
11. **H.E. Nguyen Cam Tu**, Deputy Minister of Industry and Trade, Viet Nam
12. **H.E. Surin Pitsuwan**, Secretary-General of ASEAN