



HANOI DECLARATION ON CLOSER ASEM ECONOMIC PARTNERSHIP

HANOI, 9 OCTOBER 2004



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1- At the fifth Asia - Europe Meeting (ASEM) held in Hanoi on 8-9 October 2004, Leaders had in-depth discussion on closer ASEM economic partnership and agreed to issue the following declaration:

2- *Reiterating* the principles of ASEM economic cooperation which include commitment to the market economy, closer cooperation between governments and businesses, non-discriminatory liberalization and regionalism, compliance with the WTO rules, mutual respect and equal partnership, with recognition of the economic diversity within and between Asia and Europe;

3- *Recognising* the economic potential of the two regions, the value of synergy between them and the importance of ASEM economic cooperation for achieving this potential; and *commending* the contributions that the ASEM Trade Facilitation and Investment Promotion Action Plans have made towards this since 1998;

4- *Encouraged* by the steady improvement of Asian economy from the setback caused by the financial crisis in 1997 and the enlargement of the European Union, which will provide broader opportunities to further deepen economic partnership between Asia and Europe in an enlarged ASEM;

5- *Determined* to work together in facing challenges to our economy, such as the uncertain oil prices, gap between rich and poor, digital divide, HIV/AIDS, and population ageing;

6- *Expressing* our gratitude for the reports submitted by the ASEM Taskforce and Asia-Europe Business Forum (AEBF);

And hereby declare as follows:

7- The ASEM partners will renew efforts to foster a closer ASEM economic partnership in order to bring into full play the potential and synergy of the two regions, to accelerate the process of regional cooperation and integration, to reinforce the sustainability and effectiveness of the partnership and to increase the role of ASEM in the process of economic globalisation. This work is to be carried forward in line with the overall objectives of reinforcing ASEM economic cooperation, namely sustainable economic growth, improved business environment and opportunities, facilitated trade in goods and services and investment flows,



contribution to the global economic dialogue, responses to the impact of globalisation and increased living standards of our people.

8- We declare a firm commitment to pursue closer economic cooperation between our two regions through closer economic partnership, aimed at expansion of trade in goods and services and investment. We aim to move the partnership forward on an equal and fair basis, making use of informal policy dialogues, sharing of information and experience, and joint working on practical and project oriented objectives. We are committed to work for greater efficiency and effectiveness of the ASEM process, following the guidelines below.

Strengthening trade and investment flows between the two regions

9- We commit ourselves to carry forward ASEM economic activities, taking into account the Trade Facilitation Action Plan (TFAP), Investment Promotion Action Plan (IPAP), and other forms of economic cooperation. The economic activities of ASEM in the period ahead will include efforts on trade and investment facilitation and promotion, reducing trade barriers, thus stimulating trade and investment flows between the two regions, strengthening Public-Private Partnership (PPP), and enhancing dialogues on coordination in areas of mutual interest, important trade and investment themes such as capacity building, policy transparency and joint investment promotion.

10- We call on our Economic Ministers with their Senior Officials to further identify and pursue new initiatives relating to trade and investment facilitation and promotion, to exchange information on trade and investment opportunities in the new ASEM partner countries, and to explore complementarities and scope for synergy between existing initiatives of ASEAN, ASEAN + 3 (China, Japan and Korea) and the EU with the aim of maximising the effectiveness of trade and investment between regions.

Cooperation in finance

11- Financial cooperation under closer ASEM economic partnership will be strengthened through information sharing, cooperation and dialogue. Areas for attention include: monetary and fiscal policies, financial market development and surveillance, debt management, structural reforms, the actions against money laundering and the funding of terrorism as well as the challenges posed by ageing populations and poverty. The overall aim of our cooperation is a sound, sustainable and resilient financial architecture in order to cope with potential financial shocks, and to support broad-based and sustainable growth in Asia and Europe in the future.

12- In such a spirit, with reference to the report of the ASEM Task Force for Closer Economic Partnership, we call on Finance Ministers to further explore the



recommendations and other ways to strengthen this partnership within their responsibilities.

Cooperation in other sectors

13- We firmly believe that the ASEM process plays or could play a constructive and complementary role to the course of cooperation in specific fields including energy, transport, IPR protection, including enforcement, tourism, E-commerce, and SME facilitation in and between the two regions. We wish to see cooperation in these sectors strengthened through sharing of information, experiences and best practices, and where appropriate practically oriented cooperation and coordination activities.

14- Taking into account the current oil market situation, we are willing to find a common approach and possibilities for cooperation on voluntary and commercial basis in areas of mutual interests and concerns on energy related issues.

Complementing support for the multilateral trading system with regionalism

15- We reaffirm the importance of the multilateral rule-based trading system under the World Trade Organisation (WTO). This will remain the most effective and legitimate means of managing and expanding trade relations between ASEM partners.

16- We welcome the recent breakthrough in the Doha global trade round with the adoption of negotiating frameworks for agreed areas, and we urge WTO members to undertake remaining work aimed at achieving sustained progress in the Doha Development Agenda (DDA) negotiations. We express our determination to cooperate in pushing forward the Doha negotiation to an ambitious and balanced conclusion as the first priority on our trade agenda, so as to strengthen and improve the multilateral trading system, to the benefit of all.

17- We recognise the importance of integration into the multilateral, rule-based trading system, and extend strong support for the early accession of the Socialist Republic of Vietnam and the Lao People's Democratic Republic to the WTO.

18- We note the increasing momentum in Europe to attain deeper and broader economic integration, as well as the creation of a broader network of Free Trade Agreements (FTAs) in East and South-east Asia. We agree that regionalism that complements the multilateral trade system and in combination with an outward-looking approach to trading relations with partners in other regions can contribute to greater liberalisation over time and prove a great benefit to the global economy. We therefore welcome ASEM partners' initiatives for closer economic cooperation, but emphasize the essential importance of carrying cooperation forward in ways which are consistent with WTO rules, and which do not undermine the multilateral trading system. We commit ourselves to respect this principle in developing the closer economic partnership within ASEM.



Interaction with business community

19- We recognise the role of the business community as a driving force, and regard the AEBF as an important bridge linking business communities and governments as well as individual business, including SMEs in the two regions. We encourage the AEBF to explore ways to enhance linkages between small and large firms and to promote cooperation among SMEs, including intermediary agencies.

20- We emphasise the need to improve business involvement in ASEM process and make it more responsive, relevant and substantially interactive with the business community. In this context we take note of the recommendations made by the AEBF. Consultations within the business community and beyond should be enhanced to ensure that any new steps have full backing from, and support of, those whom they are intended to benefit.

21- We encourage deeper involvement of national and regional business organizations and networks such as Chambers of Commerce, Employers' Federations and eminent business people in cooperation activities under the ASEM Economic Pillar. We call on Economic and Finance Ministers, and the next AEBF Chair further to improve ways of interaction between businesses and governments.

Conclusion

22- We express our strong belief that the closer ASEM economic partnership developed in line with this Declaration will promote sustainable growth and shared prosperity in our Asia and Europe continents. We call on our Economic and Finance Ministers to meet at the earliest opportunity to take action forward under these guidelines and coordinate with their fellow-Ministers with specific responsibilities as appropriate, taking account of proposals recently put forward, including the recommendations submitted by the ASEM Taskforce and AEBF.

Done in Hanoi – Vietnam
October 9th 2004