



**THE TWENTY-SIXTH AEM PLUS THREE CONSULTATION
22 August 2023, Semarang, Indonesia**

JOINT MEDIA STATEMENT

1. The Twenty-Sixth ASEAN Economic Ministers (AEM) Plus Three Consultation was held on 22 August 2023. The Consultation was co-chaired by H.E. Dr. Jerry Sambuaga, Vice Minister of Trade, Indonesia; H.E. Li Fei, Vice Minister of Commerce of the People's Republic of China; H.E. Nakatani Shinichi, State Minister of Economy, Trade and Industry of Japan, and H.E. Dukgeun Ahn, Minister for Trade of Republic of Korea. The Meeting welcomed H.E. Filipus Nino Pereira, Minister of Commerce, and Industry, Democratic Republic of Timor-Leste to the Meeting as an observer.

2. The Meeting noted that trade between ASEAN and the Plus Countries recorded an increase of 10.2 percent, rising from a total value of USD 1.101 trillion in 2021 to USD 1.213 trillion in 2022, based on ASEAN's data. Meanwhile, total foreign direct investment (FDI) flows from the Plus Three Countries into ASEAN increased by 13.8 percent, from USD 48 billion in 2021 to USD 54 billion in 2022 based on ASEAN's data, accounted for 24.3 percent of total FDI inflows into ASEAN.

3. The Meeting exchanged views on the regional and global challenges, such as the multidimensional impacts of the COVID-19 pandemic, climate change, heightened volatility in the global financial market, inflationary pressures, all of which could potentially affect economic and trade relations between ASEAN and the Plus Three countries. The Meeting emphasised that, to navigate the challenging global environment, a stronger and more 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 economic relationship of the ASEAN - Plus Three countries, especially in the areas of sustainable development, digital transformation, and supply chain resilience.

4. The Meeting noted the progress in the implementation of the ASEAN Plus Three Economic Cooperation Work Programme (ECWP) 2023-2024 and the positive outcomes of economic cooperation under twelve areas, among others, MSME development, private sector engagement and stakeholders' dialogues, trade facilitation, digital economy, and green economy. The Meeting highlighted that cooperation activities will support ASEAN and the Plus Three countries in promoting trade and investment flow, contributing to supply chain resilience, and addressing challenges arising from regional and global developments.

5. The Meeting noted the completion of the *ASEAN Plus Three Research Project for Closing the Digital Divide in MSMEs* undertaken by the Economic Research Institute for ASEAN and East Asia (ERIA) and the ASEAN Secretariat. The study highlighted that, to address the digital divide among MSMEs, it is imperative to acknowledge that beyond the improvement of digital infrastructure and financial

resources, securing a workforce with both digital skills and fundamental business knowledge would be necessary to effectively utilise digital tools.

6. The Meeting reaffirmed its commitment to the rules-based, non-discriminatory, open, free, fair 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 and ensure that it remains fit-for-purpose and forward-looking by pursuing reforms to improve all its functions, including to have a fully and well-functioning dispute settlement system accessible to all WTO members by 2024. The meeting welcomed the achievements on Joint Statement Initiative such as Investment Facilitation for Development and electronic commerce. The Meeting also expressed its determination to collaborate and coordinate on areas of common interest and contribute to the success of the 13th WTO Ministerial Conference (MC13) scheduled to be held in Abu Dhabi, United Arab Emirates in 2024.

7. The Meeting noted China's proposal of holding an "*ASEAN Plus Three Industrial Chain & Supply Chain Partnering Conference*". The Meeting tasked SEOM Plus Three Consultation to continue the (working level) discussion inter-sessionally on the concept paper, in order to clarify necessary details.

8. 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 Plus Three economic relations. The Meeting also encouraged the Timor-Leste government to intensify efforts towards the preparations for ASEAN membership.

9. The Meeting appreciated the initiative of the the East Asia Business Councils (EABC) in promoting the utilisation of Regional Comprehensive Economic Partnership (RCEP) Agreement, supporting ASEAN's decarbonisation agenda and promoting digital initiatives in the region, particularly on e-payments. The Meeting also welcomed the outcome of the 2023 EABC – JETRO Business Outlook Survey and noted that the market remains confident with ASEAN's potential with 60% of companies keen to expand their businesses in the region, in the near term.
