

For immediate reporting

ASEAN FORGES CLOSER TRADE AND ECONOMIC PARTNERSHIPS AMIDST CHALLENGING GLOBAL ENVIRONMENT AT THE 56TH ASEAN ECONOMIC MINISTERS' MEETING AND RELATED MEETINGS

1. Deputy Prime Minister and Minister for Trade and Industry Gan Kim Yong represented Singapore at the 56th ASEAN Economic Ministers (AEM) Meeting and Related Meetings from 16 to 18 September 2024 in Vientiane, Lao People's Democratic Republic (PDR). On behalf of Deputy Prime Minister Gan, Second Permanent Secretary for Trade and Industry Jeffrey Siow attended the AEM – Dialogue Partners (DP) Meetings and the 3rd Regional Comprehensive Economic Partnership (RCEP) Ministerial Meeting from 19 to 22 September 2024.

2. ASEAN Member States (AMS) reaffirmed their commitment to deepen regional economic integration at the meetings. They reviewed the progress of Lao PDR's ASEAN Chairmanship and its 14 Priority Economic Deliverables that seek to promote integration and connectivity amongst AMS, as well as forge an inclusive, sustainable and digital future. AMS also discussed the importance of creating a conducive environment for cross-border trade and investment flows, boost resilience and position the region for longer-term growth. With these shared goals in mind, ASEAN announced the following outcomes at the internal ASEAN meetings¹ held from 16 to 18 September 2024 in Vientiane:

a. Significant progress was made on the **ASEAN Trade in Goods Agreement (ATIGA) upgrade negotiations, which is chaired by Singapore**. The Upgrade seeks to ensure that the Agreement remains relevant, modern, forward-looking, and more responsive to regional and global developments, by including commitments in new emerging areas (e.g., Trade in Humanitarian Crisis Situations, Trade and Environment, Supply Chain Connectivity), and enhancing traditional trade-in-goods commitments to bolster intra-regional trade flows. The negotiations aim to conclude in the first half of 2025.

b. The **Fifth Protocol to Amend the ASEAN Comprehensive Investment Agreement (ACIA) was signed**. The ACIA is the key agreement governing ASEAN's investment rules and market access. The Fifth Protocol expands the scope of the ACIA, enhances investment liberalisation, and introduces greater clarity in market access commitments. These improvements will encourage greater intra-ASEAN investment flows.

¹ These included the 56th AEM Meeting, 56th AEM - 38th ASEAN Free Trade Agreement (AFTA) Council Meeting, 56th AEM – 27th ASEAN Business Investment Area (AIA) Council Meeting, 22nd AEM – ASEAN Business Advisory Council (ABAC) Consultation and AEM – Director General of World Intellectual Property Organisation (WIPO) Interface Meeting.

c. Officials were tasked to expedite negotiations for the **ASEAN Digital Economy Framework Agreement (DEFA)**, the centrepiece of ASEAN's digital integration journey, and looked forward to its timely conclusion in 2025.

3. ASEAN also met with its 13 External Partners² across 15 meetings from 19 to 22 September 2024. The meetings injected momentum on collaboration across a range of issues such as updating trade and investment rules and connectivity, advancing digital economy and sustainable initiatives, and exploring cooperation in areas such as supply chain resilience to weather future shocks. These reaffirmed the shared commitment to uphold an open, inclusive and rules-based order, especially amidst increasing pressures to turn inwards. Key outcomes of the meeting include:

a. Significant progress in the **ASEAN-China Free Trade Area (ACFTA) 3.0 upgrade negotiations** was made, which Leaders on both sides will review at the 27th ASEAN-China Summit in October 2024. The ACFTA Upgrade 3.0, once completed, will create a more business-friendly and future-oriented environment for companies to better capture opportunities between ASEAN and China.

b. Continued progress was charted in **ASEAN's negotiations with India to review the ASEAN-India Trade in Goods Agreement, and with Canada under the ASEAN-Canada Free Trade Agreement.**

c. The **2nd Protocol to Amend the Agreement establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)**³ is expected to enter into force by the end of 2024. With this, businesses will be able to enjoy the following benefits: (i) greater facilitation of trade in goods, including during crises; (ii) improved ease of doing business within services sectors; (iii) improved investment rules; and (iv) expanded scope through new areas of cooperation such as E-Commerce, Trade and Sustainable Development, and Consumer Protection.

d. Embarking on a Joint Scoping exercise to upgrade the **ASEAN-Korea Free Trade Area (AKFTA) Upgrade** was endorsed. As country coordinator for ASEAN-Korea economic relations, Singapore looks forward to working alongside AMS and Korea towards the Upgrade which is expected to commence in 2026.

e. **Discussions on ASEAN's economic integration priorities post-2025 continued to advance.** The meeting also exchanged views on making the ASEAN Economic Community's (AEC's) structures and

² ASEAN's Dialogue Partners include Australia, Canada, China, the European Union, Hong Kong, China, India, Japan, New Zealand, Republic of Korea, Russia, Switzerland, the United Kingdom, and the United States.

³ The entry into force of the 2nd Protocol is a PED under Lao PDR's ASEAN Chairmanship.

processes more streamlined, efficient and effective to better respond to, and capture opportunities, amidst a fluid external environment.

4. The 3rd RCEP Ministerial Meeting adopted the Procedures for Accession to the RCEP Agreement, which will pave the way for economies that are willing and able to meet the standards of the Agreement to join the RCEP. The timely finalisation of the Procedures for Accession underscores RCEP Partner Countries' commitment to the RCEP's principles of openness and inclusivity, and contributes to the potential realisation of an FTA for the Asia Pacific.

5. Deputy Prime Minister Gan said, "Against the tide of growing protectionism and global uncertainties, Singapore and ASEAN remain committed to multilateralism and strengthening regional integration. The annual AEM Meetings bear testament to ASEAN's resolve to work alongside one another and our dialogue partners to collectively capture opportunities for our businesses and people. Singapore looks forward to deepening our collaboration with our regional partners, especially in pivotal areas such as sustainability and the digital economy."

6. Singapore and ASEAN share strong bilateral trade and investment relations, which has continued to display robust growth since the launch of the ASEAN Economic Community Blueprint in 2015. ASEAN was Singapore's largest trading partner, with two-way trade between ASEAN and Singapore reaching US\$220 billion in 2023, a 28% increase from 2015. Singapore's foreign direct investment (FDI) inflows into ASEAN reached US\$14.5 billion in 2023, a 10% increase from 2015. Intra-ASEAN trade and FDI also continued to grow, reaching US\$759 billion and US\$21.9 billion respectively in 2023, a 42% and 8% increase respectively from 2015.

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