

**MEMORANDUM OF UNDERSTANDING
ON ASEAN COOPERATION AND JOINT
APPROACHES IN AGRICULTURE AND FOREST
PRODUCTS PROMOTION SCHEME**

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AGRICULTURE AND FOREST PRODUCTS PROMOTION SCHEME.**

The Governments of Brunei Darussalam, the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand, being members of the Association of Southeast Asian Nations hereinafter referred to as ASEAN:

RECALLING:

The Singapore Declaration signed at the Fourth ASEAN Summit in 1992 which agreed that:

- i) ASEAN shall adopt joint efforts to strengthen trade promotion and negotiations on ASEAN agricultural products in order to enhance ASEAN's competitive posture, and to sustain the expansion of ASEAN agricultural exports in international market;
- ii) ASEAN shall enhance cooperation and collective action in international and inter-regional fora as well as in international organisations and regional groupings;
- iii) ASEAN shall also continue to enhance relations with its dialogue partners and other producing/consuming countries towards the advancement of the commodity issues; and

which acknowledged that sub-regional arrangements among themselves, or between ASEAN Member Countries and non-ASEAN economies could complement overall ASEAN economic cooperation;

REITERATING our commitment to the **Framework Agreement on Enhancing ASEAN Economic Cooperation** signed in Singapore on 28 January 1992 which provides the focus of cooperation in food, agriculture and forestry on the areas of development, production and promotion of agricultural products for ensuring food security and upgrading of information exchanges, and on the need to strengthen technical joint cooperation to better manage, conserve, develop and market forest resources;

REITERATING our commitment to the Ministerial Understanding on ASEAN Cooperation in Food, Agriculture and Forestry, signed in Brunei Darussalam on 28 October 1993, that Member Countries shall collectively promote the ASEAN Agriculture and Forest Products;

CONSIDERING that agriculture and forestry will remain as important aspects of the ASEAN economy with particular significant impact on income enhancement and poverty alleviation and that human resources can be developed through the transfer of technology, a result of the implementation of bold investment programmes;

REAFFIRMING our awareness of the dynamics of recent global affairs, the trend towards regional trade and economic integration, and environmental issues;

RECOGNISING the need to realign the food, agriculture, and forestry sectors within the mainstream of ASEAN economic cooperation and that these sectors cannot progress without promoting trade and ASEAN must take full advantage of the relevant international organisations and fora;

ACCEPTING the importance of liberalising the agriculture and forestry sectors and transforming these sectors from production push approach to market-oriented approach; and,

REALISING the importance of agriculture and forest products diversification, intensification of downstream processing and higher value added activities;

HAVE AGREED to sign a Memorandum of Understanding with the following provisions:

I. General Provisions

- 1 The Governments of ASEAN Member Countries hereby agree to establish the ASEAN Cooperation and Joint Approaches on Agriculture and Forest Products Promotion Scheme, hereinafter referred to as the **Scheme**.
2. In this **Scheme**, "Promotion" means joint efforts to improve the competitiveness of ASEAN agriculture and forest products. These include negotiation, collective bargaining, and addressing issues and problems encountered by Member Countries in the international markets.

3. The objectives of the **Scheme** are to:
 - i) Strengthen the collective bargaining position of ASEAN on matters affecting agriculture and forest products trade in the world markets;
 - ii) Expand agriculture and forest products exports through product diversification, intensification of downstream processing and higher value added activity;
 - iii) Continue upgrading the quality of ASEAN Agriculture and Forest Products; and
 - iv) Lay down the foundation for a bigger and closer economic ties between ASEAN Member Countries.
4. The products to be covered by the **Scheme** shall be reviewed periodically by Member Countries and the Private Sector. The Initial Product List covered by the **Scheme** appears in the **Schedule**.
5. Promotional programmes of the agriculture and forest products shall be initiated by the private sector in consultation with the National Coordinator of Member Countries as referred to in paragraph 17.
6. The Governments of Member Countries shall assist and facilitate the private sector's initiatives.

7. The **Scheme** shall establish a mechanism for joint approaches and promotion to expand ASEAN exports of agriculture and forest products in the world market.

II. Joint Product Promotion in World Market

8. The **Scheme** shall establish guidelines and procedures for joint ASEAN products promotions which shall include the following programmes/activities:
 - i) Joint efforts to counter campaign against ASEAN products;
 - ii) Joint negotiations to overcome discriminatory Non-Tariff Barriers (NTBs) and unfair practices imposed by importing country/countries; and
 - iii) Joint promotion of product through participation in promotional activities.
9. A product to be considered for inclusion in the **Scheme** must satisfy any two of the following criteria:

- i) The product is being subjected to discriminatory treatment and/or non-trade related issues;
 - ii) The product is of major export interest to or has export potential for at least two Member Countries; and
 - iii) The product has economic impact in terms of income generation and employment on a large number of people in ASEAN.
10. The application for the inclusion or removal of a product under the **Scheme** shall be considered and decided on not more than three months upon receipt of the application, at a meeting of National Coordinators chaired by ASEAN Coordinator, or by ad referendum.
11. The joint promotion of a product shall be undertaken and agreed upon by a Lead-Country whose selection shall be made on the basis of the expertise possessed by the country. The Lead-Country for the product may withdraw from its position and request Member Countries to appoint a replacement.
12. The Lead-Country shall undertake to implement the most appropriate strategy to promote the product being assigned. The Lead-Country shall also examine and recommend measures for joint efforts and approaches on issues/concerns affecting trade of the products.
13. The Scheme shall avoid duplication of promotional activities currently being undertaken by other regional and international organizations.

III. Enhancement of Intra-ASEAN Trade

14. Efforts shall be undertaken by Member Countries to enhance intra-ASEAN trade which shall include the following areas:
 - i) Consultations and exchange of information on trade and investment policies and strategies;
 - ii) Cooperation on border and non-border measures to supplement and complement efforts towards liberalising trade and investment to include reciprocal recognition of tests and certification, removal of barriers, and fair competition; and
 - iii) Cooperative efforts in downstream and value added activities.

IV. Enhancement of Competitiveness of ASEAN Products

15. Member Countries shall endeavour to undertake strategic actions towards enhancing the long term competitive posture of ASEAN agriculture and forest products through the following efforts:
 - i) Strengthening cooperation in human resources development;

- ii) Enhancing complementarity of ASEAN products;
- iii) Intensifying cooperation in technology development and transfer; and
- iv) Accelerating the harmonisation of standards.

V. Coordination Mechanism

- 16. A Joint Committee shall be established to coordinate joint efforts and programmes under the **Scheme**.
- 17. The Joint Committee comprising the ASEAN Coordinator, the National Coordinators and the Private Sectors shall oversee the implementation of the **Scheme** and report to SOM-AMAF. The Joint Committee shall be responsible for the overall implementation of the Scheme while the National Coordinators shall be responsible for activities organised by respective Member Countries. The ASEAN Coordinator and the National Coordinators shall be appointed by the ASEAN Secretariat and Member Countries respectively.
- 18. The Joint Committee shall adopt its own rules of procedures.

VI. Entry into Force

19. This Memorandum of Understanding shall enter into force from the date of its signature and shall initially apply for a period of five (5) years. It may be extended by the consensus of all Member Countries beyond the original five-year period.

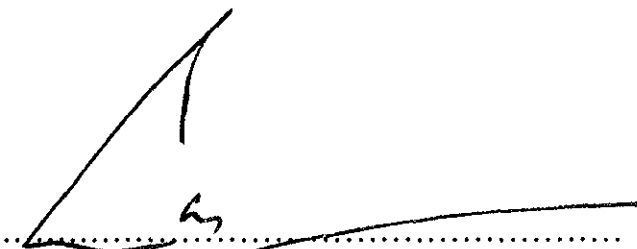
VII. Final Provision

20. This Memorandum of Understanding may be amended by consensus of the Member Countries;
21. This Memorandum of Understanding shall be deposited with the Secretary-General of ASEAN who shall promptly furnish a certified copy thereof to each of the Member Countries.

IN WITNESS WHEREOF, the undersigned being duly authorised thereto by their respective Governments, have signed this Memorandum of Understanding.

DONE at Langkawi, Malaysia this Twenty-Fifth day of August 1994 in seven copies in the English Language.

For the Government of
Brunei Darussalam:



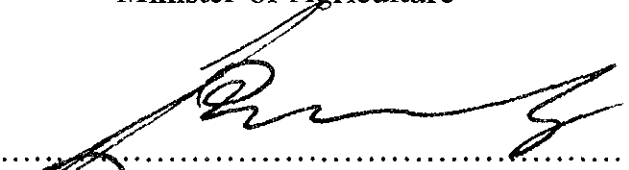
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PEHIN DATO ABDUL RAHMAN TAIB
Minister of Industry and
Primary Resources

For the Government of the
Republic of Indonesia:



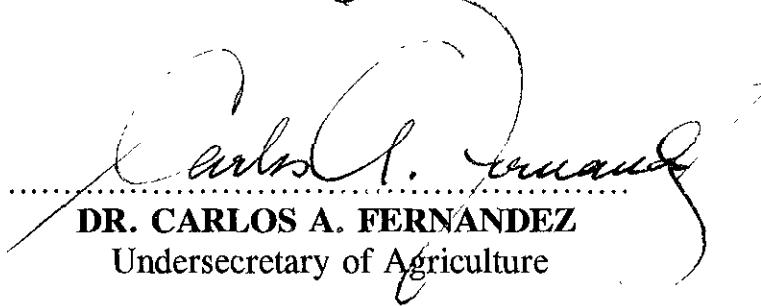
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DR. SJARIFUDIN BAHARSJAH
Minister of Agriculture

For the Government of Malaysia:



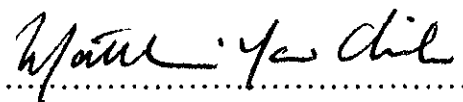
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DATUK SERI SANUSI JUNID
Minister of Agriculture

For the Government of
the Republic of the Philippines:



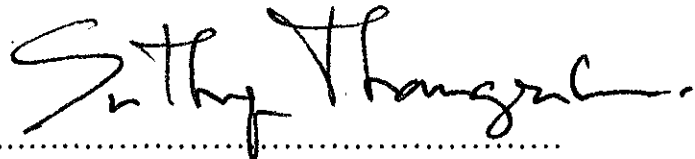
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DR. CARLOS A. FERNANDEZ
Undersecretary of Agriculture

For the Government of
the Republic of Singapore:



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MR. MATTHIAS YAO CHIH
Senior Parliamentary Secretary
Ministry of National Development

For the Government of the
Kingdom of Thailand:



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MR. SUTHEP THAUGSUBAN
Deputy Minister of Agriculture
and Cooperatives

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Initial List of Products

1. Coconut Oil
2. Carrageenan
 - Food grade
 - Non-food grade
3. Frozen Chicken
 - Boneless
 - Bone-in
4. Tapioca
 - Tapioca Starch
 - Tapioca Flour
 - Tapioca Manioc
5. Frozen Prawn
6. Canned Tuna
7. Canned Pineapple

8. Palm Oil
 - Crude Palm Oil
 - Processed Palm Oil, Palm Olein, and Palm Stearin
 - Palm Kernel Oil

9. Cocoa
 - Cocoa Beans
 - Cocoa Butter, Powder, and Paste
 - Chocolate

10. Forest Products (Timber and Non-Timber)
 - Wooden and Rattan Furniture
 - Wooden and Rattan Households, Accessories & Appliances
 - Woodworking and Wooden Housing Components
 - Sago

11. Pepper
 - Whole Black Pepper
 - Whole White Pepper
 - Ground White Pepper
 - Ground Black Pepper