



HIGHLIGHTS OF MAJOR DECISIONS OF ASEAN BODIES

***35th SME WORKING GROUP MEETING
26-28 November 2014, Siem Reap, Cambodia***

SEOM 3/45

19-21 July 2014, Yangon, Myanmar

No.	Issue	Major Decisions Made	SMEWG is requested to
1.	AEC Scorecard	<ul style="list-style-type: none"> • Based on the review of the AEC sectoral bodies of their unimplemented measures (i.e. pending measures for Phases I to III and the measures for implementation in 2014-2015), <ul style="list-style-type: none"> (i) 40 measures assessed as unlikely to be implemented/completed by end-2015 are proposed to be moved to the post-2015 agenda; (ii) Further 36 measures are proposed to be deleted; and (iii) 262 measures are identified as achievable by end-2015 . The remaining 51 measures out of the 385 measures have been implemented as of July 2014. • The Meeting tasked the ASEAN Secretariat: <ul style="list-style-type: none"> (i) To finalise the 2015 list of prioritised key deliverables and calculate the corresponding implementation rate in time for the prep-SEOM for the 46th AEM; a (ii) To set out the methodology options, with the corresponding implications for each methodology. 	Note the decision.
2.	Small and Medium Enterprises	<ul style="list-style-type: none"> • The Meeting noted the outcomes of the 34th ASEAN Small and Medium Enterprises Working Group (SMEWG) and related meetings held on 9-13 June 2014 in Makati City, the Philippines. • The Meeting took note of the two 2014 deliverables: <ul style="list-style-type: none"> (a) Develop an ASEAN Benchmark for SME Credit Rating Methodology and (b) Establishment of a Comprehensive SME Service Centre with Regional and Sub-regional Linkages, led by Indonesia and Thailand respectively. 	<ul style="list-style-type: none"> • Note the decisions; and • Deliberate on the progress in implementation of the 2014 deliverables.

No.	Issue	Major Decisions Made	SMEWG is requested to
1.	RCEP	<ul style="list-style-type: none"> • The Meeting noted that RCEP is meant to facilitate business in the region and is not to be compared with the Trans-Pacific Partnership (TPP) Agreement • For SME Development, the Meeting emphasised the importance of a chapter on SME development to enable them to reap the benefits from RCEP. The Meeting noted that the framework of the proposed chapter on SME could be in the context of cooperation and that this issue could be discussed at the level of the TNC. 	Note the decision.
2.	AEC SCORECARD PHASE 4	<ul style="list-style-type: none"> • The Meeting noted that the study covered key areas on: <ul style="list-style-type: none"> (i) non-tariff measures; (ii) trade facilitation; (iii) services liberalisation; (iv) investment liberalisation; (v) MRAs on professional services and mobility of skilled labor; and (vi) standards and conformance. • The Meeting noted that the recommendations in the ERIA report are complementary to the AEC 2025 framework 	Note the decision.

No.	Issue	Major Decisions Made	SMEWG is requested to
1.	Economic Outlook of ASEAN	<ul style="list-style-type: none"> • The challenge for ASEAN is to ensure that AMS effectively implement measures to deepen economic integration and provide an environment that is conducive for business activities to boost economic growth in the region. • Going forward, some of the priorities include fast-track the implementation of the prioritised AEC deliverables; and effectively communicating the AEC by reporting actual progress. • The full impact of AEC 2015 will only become apparent after 2015 and will depend on continuing the work to both consolidate its early achievements, as well as deal with new challenges. • The Meeting urged a greater focus on trade facilitation to assist SMEs and noted the need to provide preferential rules for SMEs in order to assist them to reap and better realise the benefits of AEC 2015. 	Note the decision
2.	HLTF-EI	<ul style="list-style-type: none"> • The Ministers endorsed the recommendations of the High Level Task Force on ASEAN Economic Integration (HLTF-EI) on the post 2015 Vision. The Meeting noted that the Post 2015 Framework Paper will be further developed for submission to the preparatory-AEM at the 25th ASEAN Summit in November 2014 for adoption. The Framework Paper will subsequently be circulated to the sectoral bodies to enable them to work on their post-2015 deliverables and implementation schedules. 	Note the decision.

No.	Issue	Major Decisions Made	SMEWG is requested to
3.	AEC Scorecard Phase IV Study	<ul style="list-style-type: none"> <li data-bbox="510 287 1456 429">▪ The Ministers were briefed by ERIA on the AEC Scorecard Phase IV study covering trade facilitation, services and investment as well as non-tariff barriers (NTBs). The Study highlighted a number of issues for AMS's consideration: <ul style="list-style-type: none"> <li data-bbox="510 476 1456 736">(a) ASEAN Single Window (ASW) involving all 10 AMS by 2015 may pose a serious challenge as some AMS' National Single Windows were still work-in-progress. It is recommended that AMS consider ASW as evolving and expanding to include more AMS post-2015. It is also recommended that AMS may wish to consider process and document simplification and the operationalisation of the National and ASEAN Trade Repository by 2015; <li data-bbox="510 783 1456 1043">(b) On services, flexibility rule is a two-edged sword. On one hand, it could facilitate further liberalisation, but on the other hand, it hides the depth of the liberalisation commitments. It proposed that ASEAN consider applying a negative list approach for a game changer in the post-2015 services liberalisation and embark on regulatory improvement agenda in ASEAN to encourage a more open services trade regime; <li data-bbox="510 1090 1456 1308">(c) On investment, it was recommended that reviews of actual policies vis-a-vis commitments be undertaken to reduce derogations to national treatment and a shift from protection policies for SMEs towards major support structures and mechanisms for SME development under an open investment regime be considered; and <li data-bbox="510 1355 1456 1422">(d) Streamlining of processes, improvements of testing infrastructure, greater emphasis on standards and conformance initiatives to 	Note the decision.

THE 25th ASEAN SUMMIT

Nay Pyi Taw, Myanmar, 12-13 November 2014

No.	Issue	Major Decisions Made	SMEWG is requested to
1.	Realisation of the ASEAN Community	<ul style="list-style-type: none"> • Welcomed progress of implementation of the Roadmap for an ASEAN Community (2009-2015) and • Reiterated our commitment to expedite the remaining action lines by 2015 creating a politically cohesive, an economically integrated and socially responsible community in order to effectively respond to current and future challenges and opportunities, in line with ASEAN's motto, "One Vision, One Identity and One Community". 	Note the decision
2.	Small and Medium Enterprises	<ul style="list-style-type: none"> • Urged the mainstreaming of SME considerations particularly in post-2015 work programmes, including in the areas of tariffs, NTBs, rules of origin and standards, so that SME interests are addressed across these sectoral bodies. • Welcomed the contribution of women and young entrepreneurs to the activities of ASEAN, particularly in enhancing their contribution to SME development. The meeting welcomed efforts to look into more programmes that enhance women and young entrepreneurs capacity to engage in the activities of the ASEAN Community. It was considered the need to work closely with ASEAN Young Entrepreneur Association (YEA) and the ASEAN Women Entrepreneurship Network (ASEAN WEN) to collaborate on these matters. 	Note the decision.

No.	Issue	Major Decisions Made	SMEWG is requested to
3.	Nay Pyi Taw Declaration for the ASEAN Community's Post-2015 Vision	<ul style="list-style-type: none"> • Central elements annexed to the Declaration were endorsed, including those under the AEC. • The AEC 2025 will comprise five interrelated pillars and elements of (i) integrated and highly cohesive economy; (ii) competitive, innovative and dynamic ASEAN; (iii) resilient, inclusive and people-centred ASEAN; (iv) enhanced sectoral integration and cooperation; and (v) global ASEAN. • These Central Elements will be used as the basis for comprehensive development of the ASEAN post-2015 Vision. • Leaders tasked the ASEAN Coordinating Council (ACC) to oversee the overall process of developing the Post-2015 Vision and the attendant documents of the three community pillars for the period of 2016-2025 to be submitted together to the 27th ASEAN Summit. • Leaders also decided that the ACC establish a High Level Task Force to assist ACC Working Group to further develop the ASEAN Community's Post-2015 Vision; • ASEAN Leaders mentioned the need for targets and action lines that are measurable and achievable in their consultations. 	Note the decision
4.	AEC Council Report	<ul style="list-style-type: none"> • Implementation of 82.1% of the 229 prioritised AEC deliverables identified for 2013, in line with the 2012 Phnom Penh Agenda for ASEAN Community Building. • An additional 61 prioritised AEC deliverables identified for 2014-2015 have also been implemented or continued to be implemented as of October 2014. • Leaders underscored that at the tail-end of the AEC Blueprint implementation, the priorities in 2015 will be to fast-track the implementation of the prioritised AEC deliverables, communicate the AEC to stakeholders, and finalise the AEC's post-2015 agenda for deeper regional economic integration. 	Note the decision.

No.	Issue	Major Decisions Made	SMEWG is requested to
5.	ASEAN Framework for Equitable Economic Development (AFEED) Monitor	<ul style="list-style-type: none"> • Common basis for understanding progress in realising the principles of the AFEED and identifying areas for priority action and initiatives. • Monitor tracks indicators across two broad sets of economic and human development outcomes and policies. It is designed to facilitate further discussion on policies and programmes that can promote inclusive growth within ASEAN Member States and across the ASEAN Community. 	Note the decision.
6.	ASEAN Communication Master Plan	<ul style="list-style-type: none"> ▪ ASEAN Communication Master Plan (ACMP), will provide the overall framework for all three community pillars to communicate ASEAN's Community building efforts and common messages about the character, deliverables and vision of the ASEAN Community to the public and key stakeholders in ASEAN, and encouraged its robust implementation. 	Note the decision.
7.	Declaration on Strengthening the ASEC and Reviewing the ASEAN Organs	<ul style="list-style-type: none"> ▪ Leaders endorsed the Report and Recommendations of the High Level Task Force on Strengthening the ASEAN Secretariat and Reviewing the ASEAN Organs (HLTF). ▪ Streamlining ASEAN Work Processes and improving Coordination among ASEAN Organs, Conduct of ASEAN external Relations and the Strengthening of the ASEAN Secretariat. ▪ Recommendations include need for better coordination including the ASEAN Coordinating Council (ACC), better follow-up to ASEAN Summit decisions, improving the work processes of the ASEAN Ministerial bodies and the ACC, ASEAN Single Chairmanship and usage of video-conferencing. 	Note the decision.

The Twelfth AEM-ABAC CONSULTATIONS

28 August 2014, Nay Pyi Taw, Myanmar

No.	Issue	Major Decisions Made	SMEWG is requested to
1.	Recommendations made by ABAC during AEM – ABAC Consultations	<ul style="list-style-type: none"> The Meeting reiterated the need for more enhanced public-private sector engagement, including more dedicated sessions and direct interactions between business and government (B2G). This will enable Ministers to better understand the issues facing business and come up with realistic solutions for the business sector. The Meeting welcomed ASEAN-BAC's proposal that ASEAN should review existing and consider the inclusion of new Priority Integration Sectors (PIS) in the post-2015 framework. The Meeting asked ASEAN-BAC to provide feedback on the existing PIS and propose new sectors, and tasked officials to study and review the feasibility of this proposal in the preparations for the post-2015 Plan. The Meeting reiterated the need to place more emphasis on SMEs and to consider how to address NTBs as raised by ASEAN- BAC. As a start, the Meeting proposed that ASEAN-BAC identify NTBs in one of the PIS sectors and provide information to ASEAN and help to monitor progress in this reducing such barriers. 	Note the decision.