

JOINT PRESS STATEMENT

Japan-Thailand Economic Partnership Agreement

1 September 2005

On 1 September 2005, Mr. Junichiro Koizumi, Prime Minister of Japan and Mr. Thaksin Shinawatra, Prime Minister of the Kingdom of Thailand met in Tokyo to jointly announce that agreement in principle has been reached between the Japanese side and the Thai side on all major elements of the Japan-Thailand Economic Partnership Agreement (hereinafter referred to as the "JTEPA"), on the basis of a series of negotiations since February 2004, including a meeting at ministerial level held in Bangkok on 31 July and 1 August 2005.

Japan and Thailand have been enjoying vibrant economic ties with bilateral trade amounting to nearly 35 billion US dollars in 2004. Thailand is also the most important destination for Japanese investment in Southeast Asia in terms of volume of its direct investment in 2004, while Japan is the most important investor in terms of volume of foreign direct investment in Thailand in the same year. In this context, the JTEPA will further broaden and deepen the already close and cordial ties of friendship and mutually beneficial cooperation by forging closer economic relations, enhancing more favourable investment climate, and generating greater business opportunities through cooperation, liberalization and facilitation in trade and investment between the two countries. The JTEPA will mark a new era for Japan-Thailand strategic partnership and provide a solid basis for an East Asian community.

The JTEPA will also cover a comprehensive range of economic activities including enhancement of the business environment, intellectual property, and bilateral cooperation in agriculture, forestry and fisheries; trade and investment promotion; education and human resource development; information and communication technology; science, technology, energy and environment; small and medium enterprises; tourism; financial services; energy conservation, value-creation economy and public-private partnership.

Cooperation in trade and investment promotion will include a project in steel industry, the support for Thailand's "Detroit of Asia" policy through a cooperation project in automotive industry, and the support for Thailand's "Kitchen of the World" project.

The two leaders instructed officials of both sides to expedite work on remaining technical matters especially on Rules of Origin, and in finalizing the text of the JTEPA so as to enable it to come into force as early as possible and achieve the goal of facilitating market access. They expect that the JTEPA will be signed in the earlier part of 2006 and instruct their officials to make utmost efforts to complete their respective domestic procedures for the entering into force of the JTEPA promptly thereafter.

The major elements of the agreement in principle of the JTEPA are as follows:

1. Industrial Goods

Both sides will eliminate or reduce tariffs comprehensively on industrial products. Major commitments of both sides on these industrial sectors are described in Attachment 1. On steel and auto sectors, cooperation will be undertaken to promote competitiveness of the auto and auto components and parts industry, and the development of the steel industry in Thailand.

2. Agricultural, Forestry and Fishery Products

Both sides will eliminate or reduce tariffs comprehensively on agricultural, forestry, and fishery products. Both sides will also cooperate in the field of agriculture, forestry and fisheries, i.e. on food safety and on Local-to-Local Linkage. Major commitments of both sides in those sectors are described in Attachment 2.

3. Customs Procedures

Both sides will promote information exchange and cooperation for the purpose of facilitating trade through simplification and harmonization of customs procedures, and ensuring effective enforcement.

4. Paperless Trading

Both sides will co-operate with a view to realising and promoting paperless trading between them and encourage co-operation between their private entities.

5. Trade in Services

Both sides confirmed a framework for the liberalization of trade in services and made liberalization offers for trade in services. The framework and major commitments of both sides are described in Attachment 3.

6. Investment

Both sides confirmed a framework for the liberalization of investments in non-service sectors, as well as the protection of investments. The framework and major commitments of both sides are described in Attachment 4.

7. Cooperation

Both sides will promote bilateral cooperation, with a view to strengthening bilateral economic partnership. The details of cooperation under the JTEPA are described in Attachment 5.

8. Government Procurement

Both sides will exchange information on government procurement and establish a mechanism to discuss issues and ways to enhance cooperation for mutual benefit.

9. Competition

Both sides will, in accordance with their respective laws and regulations, promote fair and free competition by proscribing anti-competitive activities in their respective territories and cooperate in the field of competition.

10. Intellectual Property

Both sides will ensure adequate and effective protection of intellectual property, provide for measures for enforcement of intellectual property rights against infringement, counterfeiting and piracy and promote efficiency and transparency in administration of intellectual property protection system. They will also assist small and medium-sized enterprises for acquisition of intellectual property rights. A mechanism will be established for further discussion and consultation between both sides.

11. Mutual Recognition

Both sides confirmed the framework of mutual recognition for electrical products and will continue negotiations on provisions on the framework confirmed.

12. Enhancement of the Business Environment

Both sides will create favourable business environment in their respective territories for business activities of the other side through a cooperation mechanism, namely, Business Environment Sub-Committee to be set up in each country, comprising of government officials, representatives from the private sectors and relevant organizations.

13. Movement of Natural Persons

Major commitments of both sides on the movement of natural persons are described in Attachment 6