



ASEAN INTER-PARLIAMENTARY ORGANIZATION
27TH GENERAL ASSEMBLY
10 - 15 SEPTEMBER 2006 ▲ CEBU CITY, PHILIPPINES

27GA/Rep/Com/Eco

**REPORT
OF THE
COMMITTEE ON ECONOMIC MATTERS**

Mr. President,

I have the honor to submit the following report of the Committee on Economic Matters.

1. The Committee met on 12 September 2006 at 8:45 o'clock in the morning and ended at 12:15 in the afternoon. The session was presided by myself as Chairman, with Hon. Eduardo C. Zialcita as Rapporteur.
2. The Meeting was attended by:

Cambodia

1. Hon. Ly Thuch
2. Hon. Chhit Kim Yeat
3. Mr. Kim Sochetra

Indonesia

1. Hon. Abdillah Toha
2. Hon. Suharso Monoarfa
3. Hon. Jaka A. Singgih
4. Hon. Murdaya Poo
5. Mr. Heri Indra Jaya
6. Mr. Robert Juheng Purba
7. Hon. Edwin Kawilarang

Lao People's Democratic Republic

1. Hon. Khamsing Sayakone
2. Hon. Singkham Khongsavanh
3. Hon. Ousavanh Thiengthepvongsa
4. Mr. Maniso Samountry

Malaysia

1. Hon. Syed Razlan Jamalullail

Philippines

1. Hon. Simeon L. Kintanar
2. Hon. Juan Miguel F. Zubiri

Singapore

1. Hon. Seah Kian Peng
2. Hon. Dr. Ahmad Magad

Thailand

1. Hon. Tuenjai Deetes
2. Hon. Surachai Danaitangtrakul

Vietnam

1. Hon. Mai Anh
2. Hon. Duong Thu Huong
3. Hon. Chau Thi Le

Brunei Darussalam

1. Hon. Yunos Noh

Myanmar

1. Mr. Kyi Maung

3. With the active and full participation of the members in the Committee deliberations, the following resolutions were approved for adoption by the General Assembly:
 - a. Achieving Energy Security in ASEAN
 - b. Accelerating the Initiative for ASEAN Integration (AIA)
 - c. Debt for U.N. Millennium Development Goals (MDG's) to Fight Poverty
 - d. Promoting Regional Centers of Growth (BIMP-EAGA, Mekong River Development)
 - e. Common Legislative Initiatives on Improving the Quality Standard and Quantity of Agricultural Product.
4. The delegates actively discussed the five (5) draft resolutions the highlights of which are as follows:
 - a. Achieving Energy Security in ASEAN
 - (1) Realizing the adverse effect of too much dependence on oil importation for energy requirements, the Committee resolved to urge all AIPO member countries to promote renewable and alternative energy source suitable for each country to secure energy efficiency and competitiveness, enabling environmental friendly economic growth and sustainable development in the region;

- (2) Encouraging greater participation on the part of the private sector, non-governmental organizations (NGOs) and local communities in the development of both traditional and alternative renewable energy sources, the Committee also called upon AIPO member countries to promote cooperation and sharing of relevant technology and best practices;
- b. Accelerating the Initiative for ASEAN Integration (AIA)
- (1) Reaffirming the importance of the Initiative for ASEAN Integration (IAI) in the reduction of the development gaps between new and older member states of the ASEAN, the Committee resolved to accelerate further the pace of ASEAN integration through the enhancement of trade, technology and investment linkages between member countries in the priority sectors that include agro-based products, automotives, electronics, fisheries, rubber-based products, textile and apparels, wood-based products, air travel, e-ASEAN (ICT), healthcare and tourism as well as education;
 - (2) Pursuing ways to open up more economic sectors, remove non-tariff barriers and reduce business costs, the Committee also resolved to provide regional interconnectivity that would connect the source, production and market centers, as well as put in place air, land and sea links. Further, the Committee supported the adoption of the proposed ASEAN Charter which is vital for the integration of the region;
- c. Debt for U.N. Millennium Development Goals (MDG's) to Fight Poverty
- (1) Acknowledging the occasional need to resort to foreign borrowings, the Committee resolved to discourage dependence among member countries on foreign debt for economic development by optimizing all available resources to increase economic growth, reduce poverty, promote good governance and combat corruption;
 - (2) Encouraging lending entities to reinvest in the economies of debtor-countries fifty (50) per cent of the agreed-on portion of the debt service payments due to them in the form of equities towards MDG programs, the Committee further resolved to support the creation of an "International Conference for the Conversion/Investment of Foreign Debt of Poor Countries" that shall serve as a platform for the debt servicing of the poorest 100 countries;
- d. Promoting Regional Centers of Growth (BIMP-EAGA, Mekong River Development)
- (1) Cognizant of the main thrust of the BIMP-EAGA sub-regional arrangement which is to develop sub-regions which are remote and less economically developed relative to their national capitals and that of the Mekong River Development which is the fair, balanced and cooperative development of the Mekong River Basin, the Committee resolved to identify the respective potentials of the affected countries and work for the fullest development of these sub-regions in view of their great potentials;

- (2) The Committee also resolved to pursue existing instruments for the development of the two (2) sub-regions, namely, the BIMP-EAGA Roadmap to Development and the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin that would include facilitating cross-border flow of goods and people, improved physical and ICT regional interconnectivity, promote intra- and extra-EAGA trade and investments, improved coordination for the sustainable development of natural resources and bio-diversity, and create an ad hoc committee for continuing dialogue with the affected countries in the Mekong River sub-region;
- e. Common Legislative Initiatives on Improving the Quality Standard and Quantity of Agricultural Product.
- (1) Proposed by the Ad Hoc Committee on Transformation of AIPO into a More Effective and Closely Integrated Institution chaired by Indonesia, the Committee adopted a “Resolution on Common Legislative Initiatives on Improving The Quality Standard and Quantity of the Agriculture Product”, that would foster cooperation and sharing of new technology and adoption of legislation that would improve the quality, standards and yield of agricultural products among the ASEAN member countries;
 - (2) Realizing that majority of the ASEAN member countries are basically agricultural societies, the Committee resolved to request the President of the AIPO to submit the resolution to the Chairman of the ASEAN Standing Committee with the objective of promoting cooperation among ASEAN member countries in improving quality, standards and yield of the agricultural product, and for the ASEAN Standing Committee to initiate the development of ASEAN Agreement along those lines.

I therefore now present the Report of the Committee on Economic Matters to the General Assembly. Thank you.



HON. EDUARDO C. ZIALCITA
Rapporteur



HON. HERMINIO G. TEVES
Chairman



ASEAN INTER-PARLIAMENTARY ORGANIZATION
27TH GENERAL ASSEMBLY
10 - 15 SEPTEMBER 2006 ▲ CEBU CITY, PHILIPPINES

27GA/06/ECO-01

RESOLUTION

ON

ACHIEVING ENERGY SECURITY IN ASEAN

The Twenty-seventh General Assembly:

Recalling the commitment to implement the ASEAN Plan of Action for Energy Cooperation (APAEC) 2004-2009 adopted by the Twenty-Second ASEAN Ministers of Energy meeting, held in June 2004 in Manila, Philippines under which New and Renewable Energy is one among main components for promotion and cooperation;

Realizing the importance of energy security to ASEAN economic development amidst rising oil prices and the adverse effect of too much dependency in oil importation for energy requirements from oil producing countries that affects the financial positions of ASEAN countries;

Aware of the member countries' diverse natural resources endowment and the tremendous potential for alternative energy resources that may be harnessed bearing in mind ecological balance and sustainable development;

Conscious of the fragile ecosystem of the regions which constant exposure to energy exploration, utilization and development have rendered them vulnerable;

Noting the continuing significance of RES.26GA/2005/ECO/04 adopted by the 26th General Assembly in September 2005 in Vientiane, Laos which collectively called for "Asean Renewable Energy and Development".

Resolves to:

Urge all AIPO member countries to promote the production and utilization of renewable and alternative energy suitable for each country such as geo-thermal, hydro-power, wind power, solar power, tidal power and bio fuels/energy to secure energy efficiency and competitiveness, enabling environmental friendly economic growth and sustainable development in the region

Call on all AIPO member countries to create an environment conducive to greater participation of the private sector, Non-governmental organizations and the local communities in the development of both traditional and alternative renewable energy sources;

Call upon AIPO member countries to promote cooperation and sharing of relevant technology and best practices; and

Encourage AIPO member countries to promote effective legal, regulatory and technical frameworks that will address the need for adequate, affordable and accessible energy sources while at the same time preserving the delicate ecological balance.

Adopted this 14th day of September 2006 in Cebu City, Philippines.



ASEAN INTER-PARLIAMENTARY ORGANIZATION
27TH GENERAL ASSEMBLY
10 - 15 SEPTEMBER 2006 ▲ CEBU CITY, PHILIPPINES

27 GA/06/ECO-02

RESOLUTION

ON

**ACCELERATING THE
INITIATIVE FOR ASEAN INTEGRATION (IAI)**

The Twenty-Seventh General Assembly:

Reaffirming the strategic importance of the Initiative for ASEAN Integration (IAI) for the promotion of the integration of new AIPO member states into the ASEAN, particularly by way of the reduction of the development gaps between said states and the older members of ASEAN;

Cognizant of the common goal of an ASEAN Economic Community by 2020 that will create a single economic entity, with an enlarged market of 550 million, and a free flow of goods, services, investments, skilled labor and capital;

Noting that the AIPO member states must complement the growth and the emerging economic needs arising from the phenomenal growth of China and India, the re-emergence of Japan from a decade of stagnation and the re-making of Korea into a new growth area, in order to benefit from the dynamism of such economies;

Recognizing that AIPO member states must not neglect but instead further strengthen its longstanding relations with existing partners like the US and Europe while establishing ties with new partners such as the Middle East and Russia;

Stressing that while strengthening cooperation with external partners, AIPO member states must also enhance cooperation internally within the group, through initiatives like the ASEAN Free Trade Area (AFTA) and the ASEAN Investment Area (AIA) and the proposed ASEAN Charter;

Determined to push through with the completion the IAI Work Plan as a rolling plan for the six-year period from 2002 to 2008 with its 129 projects that cover the development of legal, institutional and regulatory frameworks and the technical capacity building among the new member states of the AIPO member states;

Resolves to:

Accelerate further the pace of ASEAN integration through the enhancement of trade, technology and investment linkages between the member countries, especially in the identified eleven priority sectors for accelerated integration, that include agro-based products, automotives, electronics, fisheries, rubber-based products, textile and apparels, wood-based products, air travel, e-ASEAN (ICT), healthcare and tourism as well as education;

Enhance the complementation of strengths of each country through an integrated market and supply chains in the region that will leverage on competitive and comparative advantages of different countries in AIPO member states to optimize production;

Pursue ways to open up more economic sectors, remove non-tariff barriers and reduce costs for businesses to operate seamlessly across the individual economies;

Provide regional interconnectivity that will physically connect the source, production and market centers in the region and render accessible the global market through air, land and sea links.

Support the adoption of the proposed ASEAN Charter as an important step in the eventual integration of the region; and

Urge governments of the AIPO countries that while moving forward in the integration efforts that the same time address the economic diversity of states in the region.

Adopted this 14th day of September 2006 in Cebu City, Philippines.



ASEAN INTER-PARLIAMENTARY ORGANIZATION
27TH GENERAL ASSEMBLY
10 - 15 SEPTEMBER 2006 ▲ CEBU CITY, PHILIPPINES

27 GA/06/ECO-03

RESOLUTION

ON

**DEBT FOR THE U.N. MILLENNIUM DEVELOPMENT GOALS (MDG) TO FIGHT
POVERTY**

The Twenty-Seventh General Assembly of AIPO:

Aware that much of the foreign debts by developing AIPO member countries were incurred following the 1973 oil crisis when international banks lent large amount of money without taking into consideration the capacity of borrowers to pay or where the money would be spent;

Conscious that default in debt payments on account of massive borrowings would result to crisis, most governments of developing countries have been forced to impose additional taxes which burdened their people especially those below the poverty line;

Recalling the Millennium Development Goals (MDG) which WERE adopted by the United Nations during the Millennium Summit in September, 2000, member countries affirmed their commitment to reduce poverty and the worst forms of human deprivation;

Cognizant that as a result of debt-servicing, the most indebted LDC's and DC's are deprived of their scarce resources and hard-earned savings and must sacrifice their budget allocations for education, health care, housing and development projects;

Alarmed that the debt-burden of the least developed and developing countries has been blocking economic progress for billions of the world's poorest peoples;

Resolves to:

Urge all AIPO member countries to optimize all available resources and adopt proper policy framework that will help our people gain access to the best quality of life possible without depending on foreign borrowings whilst also making efforts to increase economic growth in order to reduce poverty as well as promoting good governance and combating corruption;

Call upon developed countries and multilateral financial institutions to provide a more affordable debt relief service to enable borrowing countries to pay their debts without necessarily burdening their economy and their people;

Encourage all creditor countries, multilateral institutions and large commercial banks to reinvest in the economies of the debtor-countries fifty (50) percent of the agreed-on portion of the debt-service payments due to them in the form of equities or other kinds of financial assets and technical assistance towards MDG programs such as reforestation, rural development program, mass-housing, safe water systems, education, hospitals and health care, infrastructure and micro-financing; and

Support the creation of INTERNATIONAL CONFERENCE FOR THE CONVERSION/ INVESTMENT OF FOREIGN DEBT OF POOR COUNTRIES which will create social, political and legal framework and mechanism that shall serve as a platform in which the debt servicing of the poorest 100 countries shall be converted to tangible values based on MDG and consequently, that AIPO be a permanent member of the international conference.

Adopted this 14th day of September 2006, in Cebu City, Philippines.



ASEAN INTER-PARLIAMENTARY ORGANIZATION
27TH GENERAL ASSEMBLY
10 - 15 SEPTEMBER 2006 ▲ CEBU CITY, PHILIPPINES

27 GA/06/ECO-04

RESOLUTION

ON

**PROMOTING REGIONAL CENTERS OF GROWTH
(BIMP-EAGA, MEKONG RIVER DEVELOPMENT)**

The Twenty-Seventh General Assembly:

Aware of the contributions of sub-regional arrangements, such as the Mekong River Development and the Brunei Indonesia Malaysia Philippines – East ASEAN Growth Area (BIMP-EAGA) towards reducing the development gap within the ASEAN region and the strengthening of ASEAN integration;

Recognizing that, as a natural resource, the Mekong River, together with its basin, is vital to the economic, socio-cultural and ecological activities of the people in the riparian states, namely, Thailand, Laos, Cambodia, Vietnam and China,

Cognizant of the main thrust of the BIMP-EAGA which is to accelerate the development of sub-regions which are remote and less economically developed relative to their national capitals,

Noting that the activities of the Mekong River Commission and the development of the BIMP-EAGA Roadmap and Action Plan constitute strategic initiatives by the stakeholder states for their development;

Stressing that only through the principle of cooperation and the striving towards greater solidarity that the future development of the Mekong River and its basin may be sustained and achieved;

Re-affirming the fact while regular trade among traditional global and regional markets remains a primary objective in the region, intra-subregional trade and development are emerging as an equally important goal;

Resolves to:

Encourage, intensify and strengthen sub-regional cooperation measures as laid down in the BIMP-EAGA Roadmap to Development by improving the flow of trade and investment information within and outside EAGA, facilitate the cross-border flow of goods and people to,

from and within EAGA, promote and facilitate intra- and extra-EAGA trade and investments in priority sectors, especially those with high impact on SME development, improve EAGA air, sea and land connectivity, improve the information and communication technology (ICT) facilities and services in EAGA, improve coordination for the sustainable development of natural resources and biodiversity in EAGA, promote sustainable development practices in the management of economic development projects and strengthen intra-EAGA institutional coordination;

Pursue the implementation of the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin and create an ad-hoc committee for continuing dialogue with the affected COUNTRIES towards a more balanced developmental approach of the international river basin;

Support the various initiatives of the ASEAN Mekong Basin Development Cooperation (AMBDC), Greater Mekong Sub-region (GMS) and the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMES) for the total development of Indo-china;

Enhance regional economic cooperation by identifying the countries' respective potentials, facilitating economic development, accelerating growth and supporting regional development of areas that are relatively undeveloped, which areas are included in the BIMP-EAGA and MEKONG RIVER DEVELOPMENT zones but have yet to attain their fullest extent of development notwithstanding their great potentials; and

Consolidate the active support of the private sector in the BIMP-EAGA, with the government as catalyst, by establishing linkages and networks with focal business organizations, NGO's, academy, religious people and local community for them to take a more pro-active stance in the development of the sub-region.

Adopted this 14th day of September 2006 in Cebu City, Philippines.



ASEAN INTER-PARLIAMENTARY ORGANIZATION
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Res. 27GA/2006/Eco-05

RESOLUTION

ON

**COMMON LEGISLATIVE INITIATIVES ON IMPROVING THE QUALITY
STANDARD AND QUANTITY OF THE AGRICULTURE PRODUCT**

The Twenty-Seventh General Assembly;

Mindful of the Resolution 26GA/2005/Org/06 of the 26th AIPO General Assembly which mandated the AIPO Ad-Hoc Committee on Transformation of AIPO Into a More Effective and Closely Integrated Institutions to formulate the term of reference in identifying common legislative initiatives;

Realizing that all the ASEAN Member Countries are basically agrarian societies which lead to the need for strengthening regional cooperation to enhance the international competitiveness of ASEAN's agriculture products which in turn would benefit ASEAN Member Countries and their societies in particular their farmers;

Recalling the Vientiane Action Programme adopted by the ASEAN Leaders during the 10th ASEAN Summit in Vientiane, Lao PDR, November 2004 which mandated the ASEAN Member Countries to take action on the development and adoption of new technology in agricultural production, promotion of trade, investment and services incidental to agriculture to increase trade in agro-based products; and development, harmonizing and adopting quality, standards and regulations for agricultural product;

Reaffirming that one of the aims of Transforming AIPO into a More Effective and Closely Integrated Institutions is to enhance the important role of parliaments of ASEAN Member Countries to promote regional cooperation, particularly to attain the objectives of ASEAN Community;

Acknowledging that one of the problems in advancing agricultural sector especially in increasing the level of agricultural production in ASEAN derived from the lack of the implementation of modern technology and the predominantly sub-quality soil in the ASEAN Member Countries;

Recognizing that in the common effort to increase the production and quality of the agriculture, ASEAN Member Countries need to foster their cooperation and the sharing on the development and adoption of new technology and harmonization as well as adopting the legislation to improve the quality, standards and yield of the agriculture product;

Encouraging ASEAN member countries to harmonize their legislation in IMPROVING THE quality, standards and yield of agricultural product;

Hereby resolves to request:

1. The President of [AIPO] to submit this resolution to the Chairman of the ASEAN Standing Committee with the objective of promoting cooperation among ASEAN Member Countries in improving quality, standards and yield of the agricultural product;
2. The ASEAN Standing Committee to initiate the development of ASEAN Agreement for the improvement OF quality, standards and yield of the agricultural product in ASEAN ;
3. The [AIPO] member countries to ratify the aforesaid agreement in their respective national parliaments.

Adopted this 14th day of September 2006 in Cebu City, Philippines.