

**Joint Communiqué: Inclusive ASEAN
OECD SEARP Ministerial Conference
Tokyo, 8-9 March, 2018**

We, Ministers and Representatives of ASEAN and OECD member countries met at the OECD Southeast Asia Regional Programme (SEARP) Ministerial Conference held in Tokyo, Japan, on 8-9 March 2018, under the co-chairmanship of Mr. Taro Kono, Minister for Foreign Affairs of Japan, and Dr. Mardiasmo, Vice-Minister of Finance of Indonesia.

- We thanked Japan and Indonesia for their active engagement and leadership as the Co-Chairs of the OECD Southeast Asia Regional Programme (SEARP) during the first years of the Programme, thanked the OECD Secretariat for its analytical and substantive support, and acknowledged the launch of the next phase of the Programme highlighting the cooperation between the OECD and Southeast Asia as a continued strategic priority. SEARP has been established as a useful platform for cooperation of OECD and Southeast Asian countries.
- Southeast Asia has made remarkable progress over the past years in raising income, reducing poverty and integrating into the world economy. Despite such achievements, there remain various challenges, including socio-economic development gaps between and within countries of the region.
- Under the theme of “Inclusive ASEAN”, we discussed policy challenges and opportunities for benefitting from economic integration and achieving inclusive and sustainable development in Southeast Asia, with particular focus on “Inclusiveness through Connectivity” and “Inclusiveness through Participation” benefitting from OECD work on inclusive growth.
- “Inclusiveness”, in this context, is not only about narrowing the income gaps between and within countries of the region and promoting ASEAN’s integration, but also about ensuring that everyone in the region has equitable access to the opportunities for economic and human development and for enhancing his/her well-being. In this regard, we recognised ASEAN’s work on promoting complementarities between the ASEAN Community Vision 2025 and the UN 2030 Agenda on Sustainable Development.
- The ASEAN Economic Community Blueprint 2025 underlines ASEAN’s commitment to develop an inclusive, resilient, people-centred and people-oriented community. We confirmed the value of SEARP’s work in making ASEAN economies and societies more inclusive, sustainable and resilient in line with the objectives of the Blueprint 2025 and other relevant ASEAN instruments.
- We affirmed the strategic importance of OECD’s engagement with Southeast Asia through the SEARP and recognised tangible progress made under the co-chairmanship of Japan and Indonesia. (as highlighted in the “OECD Southeast Asia Regional Programme Outputs and Outcomes 2014-2017”). We applauded the co-chairs of the six Regional Policy Networks of SEARP on investment, infrastructure, SMEs, education/skills, tax, and good regulatory practices for their achievements over the first phase of the Programme as well as the experts engaged in the three Initiatives of the SEARP on Trade, Innovation, Gender and the OECD Economic Outlook for

Southeast Asia, India and China.

(Inclusiveness through Connectivity)

- As connectivity is a key element of the Blueprint 2025, SEARP should explore ways to build on a broad range of existing OECD works, in order to support ASEAN's efforts to enhance physical, institutional, and people-to-people connectivity in line with the Master Plan on ASEAN Connectivity (MPAC) 2025.
- We reaffirmed that international trade and investment is an engine for economic growth, job creation, welfare, and promotion of regional development, and we encouraged further promoting them both intra-regionally and with other regions, including by reducing barriers to and costs of trade and investment, as well as by facilitating them. We recognised the usefulness of global value chains, productivity and innovation, good regulatory practice, and the country-specific OECD Investment Policy Reviews, and welcomed the work on the report on Regional Investment Policy Review for Southeast Asia.
- Noting the existing large demand-supply gap of infrastructure investment in Asia, we recognised the needs for effective mobilisation of private funds to fill this gap, and welcomed the work conducted by SEARP with ASEAN on risk mitigation for private investment in infrastructure.
- We also stressed that focusing solely on quantity is not adequate. It is imperative to promote quality infrastructure investment, consistent with internationally shared standards and principles such as openness, transparency, economic efficiency, financial viability of recipient countries, safety and environmental considerations, in order to achieve inclusive and sustainable development in Southeast Asia. Recalling that the Southeast Asian leaders have repeatedly emphasised the importance of developing quality infrastructure and that the 2017 OECD Ministerial Council Statement confirmed the importance of promoting quality infrastructure with open and fair access and encouraged elaboration of guidelines and best practices, SEARP continues to serve as a strong vehicle for the promotion of quality infrastructure, benefitting from existent work on infrastructure and investment and looking forward to future work of the OECD in this area.

(Inclusiveness through Participation)

- As human resources is a key to achieving inclusive and sustainable growth, we placed special emphasis on education and skills policies needed to tackle the challenges as well as harnessing opportunities in a rapidly-changing world of globalisation and digitalisation. In this regard, we recognised the importance of policies to promote greater access to quality education and training, including vocational training, on a life-long basis. We welcomed ASEAN's efforts to establish an ASEAN Smart Cities Network with a view to enhancing, innovation, trade and investment through platforms such as e-commerce and smart cities.
- Women's economic empowerment is a strong driver of economic growth, while promoting inclusiveness through participation. As women's entrepreneurship has a great potential for business dynamism and innovation in Southeast Asia, as highlighted in the OECD/ASEAN report "Strengthening Women's Entrepreneurship in ASEAN", we encouraged further efforts in this area including by, as appropriate, mainstreaming a gender perspective in SEARP reflecting the OECD's

work on gender and developing country-specific follow up work. Particular attention was paid to this topic in the context of the International Women's Day.

- Micro, Small and Medium-sized Enterprises (MSMEs) make an important contribution to ASEAN's inclusive economic growth, in terms of value-added as well as of job creation and innovation. We recognised the importance of policies to create conditions that enable the MSMEs to benefit from globalisation, open markets, enhanced competition, transparent and effective governance and technological progress. We welcomed the work on the 'ASEAN SME Policy Index 2018' and further development of monitoring and evaluation tools.

(Way Forward)

- We reaffirmed the important role of the SEARP in facilitating ASEAN's regional integration process, supporting its Members' domestic reform priorities, the priorities established by the Chair of ASEAN on an annual basis, and bringing countries closer to the OECD. We also recognised the potential of the SEARP to strengthen OECD's understanding of the region as well as the unity and centrality of ASEAN in the region.
- Considering the significance of inclusiveness as expressed in a range of ASEAN and OECD instruments, we called for the SEARP, *inter alia*, to support building an inclusive, resilient, people-centered and people-oriented ASEAN Community with particular attention to connectivity and participation.
- We thanked the private sector for its support to the Programme and contributions to our Regional Policy Networks and Initiatives, and noted the support of SEARP for ASEAN work on inclusive business.
- We would like to express our gratitude to the countries supporting SEARP financially, including Canada, Japan, Korea, UK, Australia, New Zealand and Germany as well as all ASEAN countries providing in-kind contributions. We welcomed Korea and Thailand as the new Co-chairs of the SEARP for 2018-2021.

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