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# **The Fourth ASEAN Informal Summit 22-25 November 2000, Singapore**

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## **ASEAN leaders adopt e-ASEAN agreement**

Leaders of the ten member countries of ASEAN signed on the 25th of November the eASEAN Framework Agreement to begin a collective effort to plug ASEAN into the global networked economy. The Agreement commits ASEAN members to an implementation schedule to achieve digital readiness for the region in order to develop the basis for ASEAN's competitiveness into the future, better the lives of their citizens through the application of information and communication technologies and foster the spirit of ASEAN community.

The Agreement takes a holistic approach to achieving digital readiness and acts as a binding mechanism for actions in six areas. These six elements are: connectivity, local content, a seamless environment for electronic commerce, a common marketplace for ICT goods and services, human resource development and e-governance.

As envisioned, members bind themselves to facilitate interconnectivity and technical interoperability among their ICT systems leveraging existing national networks and evolving these into a regional information infrastructure. To begin with, a private sector led ASEAN Internet service Providers (ISP) Forum will be convened to explore ways of promoting the more efficient flow of Internet traffic including regional mirroring and hubbing and the setting up of national and regional Internet exchanges and Internet gateways. Together with this an effort is underway to develop measures to encourage the production of regional and locally relevant content.

To foster the growth of electronic commerce in the region, ASEAN governments commit themselves to create a seamless favorable legal and regulatory environment in order to get buyers and sellers to buy in to doing business online. The task involves measures to promote trust and confidence in the Internet including the establishment of a system of mutual recognition of digital signatures; secure electronic transactions, payments and settlements protection of intellectual property rights; promoting

personal data protection and consumer privacy; and dispute settlement mechanisms.

ASEAN governments also commit to facilitate the flow of ICT goods and services in the region and promote investments in the sector. Duties and non-tariff barriers on intra-ASEAN trade in ICT products will be eliminated in three tranches. Liberalization for most goods will be completed over a three-year period beginning 1 January 2003. Cambodia, Laos, Myanmar, and Vietnam will undertake the same measures beginning on 1 January 2008. Moreover, ASEAN will conclude mutual recognition arrangements covering ICT products.

To promote an E-ASEAN community, member countries will encourage the development of skills and proficiency in using ICT, through training and exchange of experiences. The more advanced member countries will assist less ICT enabled members in their capacity building effort through the sharing of training resources.

Finally, member governments commit to deliver more government services using ICT to make it more efficient and more widely diffused. The application of ICT will reach more people than is the case with traditional means and also allow greater interaction between governments and their citizens.

The E-ASEAN Agreement also provides for the implementation of pilot projects to demonstrate the benefits of ICT and thus generate enthusiasm and support for actions to achieve digital readiness.

In entering into the e-Agreement, ASEAN governments have agreed to promote collective efforts to complement national ICT strategies to achieve regional connectivity. This effort may prove to be the catalyst for accelerating the development of the ASEAN community

## **e-ASEAN FRAMEWORK AGREEMENT**

### **Preamble**

WE, the Heads of Government/State of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, Member States of the Association of Southeast Asian Nations (hereinafter referred to as "ASEAN"):

AWARE of the opportunities offered by the revolution in information and communications technology (ICT) and electronic commerce;

DESIROUS that our peoples should benefit from the opportunities from ICT and electronic commerce, gain access to these new technologies, and facilitate cross border trade and electronic transactions;

RECOGNISING that the ultimate objective of economic growth is to promote the development of human resources in all its dimensions, so as to enable the peoples of ASEAN to have the fullest opportunity to realise their potential;

CONFIDENT that the e-ASEAN initiative and the establishment of the ASEAN Information Infrastructure, as called for in the Hanoi Plan of Action, would enhance ASEAN's competitiveness in the global market;

MINDFUL of the need to promote greater public and private sector collaboration in realising e-ASEAN;

MINDFUL also of the objectives and provisions of the ASEAN Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area, the ASEAN Framework Agreement on Services and the ASEAN Framework Agreement on the ASEAN Investment Area;

RECALLING our decision at the Third ASEAN Informal Summit of November 1999 to establish a free trade area for goods, services and investments for the info-comm industries under a new e-ASEAN Agreement;

**HAVE AGREED AS FOLLOWS:**

**ARTICLE 1**

**Definition**

For the purposes of this Agreement the following terms shall, unless the context otherwise requires, have the meanings indicated below:

(a) "Information and Communications Technology" (ICT) shall refer to infrastructure, hardware and software systems, needed to capture, process and disseminate information to generate information-based products and services;

(b) "ICT products" shall mean the products in the WTO Information Technology Agreement (ITA1) and related products which Member States may agree to add later;

(c) "ICT services" shall mean the Information and Communications-related services listed in the Central Product Classification (CPC) and any additional related services which Member States may agree to add later; and

(d) "Investment(s)" shall mean direct investment(s) related to the production of ICT products and the provision of ICT services.

**ARTICLE 2**

**Objectives**

The objectives of this Agreement are to:

(a) promote cooperation to develop, strengthen and enhance the competitiveness of the ICT sector in ASEAN;

(b) promote cooperation to reduce the digital divide within individual ASEAN Member States and amongst ASEAN Member States;

(c) promote cooperation between the public and private sectors in realising e-ASEAN; and

(d) promote the liberalisation of trade in ICT products, ICT services and investments to support the e-ASEAN initiative.

**ARTICLE 3**  
**Coverage**

This Agreement shall cover measures to:

- (a) facilitate the establishment of the ASEAN Information Infrastructure;
- (b) facilitate the growth of electronic commerce in ASEAN;
- (c) promote and facilitate the liberalisation of trade in ICT products, ICT services and of investments in support of the e-ASEAN initiative;
- (d) promote and facilitate investments in the production of ICT products and the provision of ICT services;
- (e) develop an e-Society in ASEAN and capacity building to reduce the digital divide within individual ASEAN Member States and amongst ASEAN Member States;
- (f) promote the use of ICT applications in the delivery of government services (e-Government); and
- (g) enable Member States who are ready to accelerate the implementation of this Agreement as provided for in Articles 4, 5, 6 and 7 thereof to do so by 2002; and to assist other Member States to undertake capacity building.

**ARTICLE 4**  
**Facilitation of the Establishment of the ASEAN Information Infrastructure**

1.. Member States shall enhance the design and standards of their national information infrastructure with a view to facilitating interconnectivity and ensuring technical interoperability between each other's information infrastructure.

2.. Member States shall work towards establishing high-speed direct connection between their national information infrastructures with a view to evolving this interconnection into an ASEAN Information Infrastructure backbone.

3.. Complementing the ASEAN Information Infrastructure, Member States shall work towards developing ASEAN content, relating but not limited to, cooperation in digital libraries and tourism portals.

4.. Member States shall work towards facilitating the setting up of national and regional Internet exchanges and Internet gateways, including regional caching and mirroring.

## **ARTICLE 5**

### **Facilitation of the Growth of Electronic Commerce**

1.. Member States shall adopt electronic commerce regulatory and legislative frameworks that create trust and confidence for consumers and facilitate the transformation of businesses towards the development of e-ASEAN. To this end, Member States shall:

(a) expeditiously put in place national laws and policies relating to electronic commerce transactions based on international norms;

(b) facilitate the establishment of mutual recognition of digital signature frameworks;

(c) facilitate secure regional electronic transactions, payments and settlements, through mechanisms such as electronic payment gateways;

(d) adopt measures to protect intellectual property rights arising from e-commerce. Member States should consider adoption of the World Intellectual Property Organisation (WIPO) treaties, namely: "WIPO Copyright Treaty 1996" and "WIPO Performances and Phonograms Treaty 1996";

(e) take measures to promote personal data protection and consumer privacy; and

(f) encourage the use of alternative dispute resolution (ADR) mechanisms for online transactions.

## **ARTICLE 6**

### **Liberalisation of Trade in ICT Products and ICT Services, and of Investments**

1.. Member States shall enter into negotiations which shall be directed towards accelerating commitments of the Member States relating to ICT products, ICT services and investments under the Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area, the ASEAN Framework Agreement on Services and the Framework Agreement on the ASEAN Investment Area.

2.. Member States shall eliminate duties and non-tariff barriers on intra-ASEAN trade in ASEAN ICT products in three tranches. The first tranche shall take effect on 1 January 2003. The second tranche shall take effect on 1 January 2004. The third tranche shall take effect on 1 January 2005. For Cambodia, Lao PDR, Myanmar and Viet Nam, the three tranches are to take effect on 1 January 2008, 2009 and 2010. The ICT products falling under the three tranches shall be submitted by Member States to the ASEAN Secretariat.

3.. Member States shall achieve higher levels of liberalisation of trade in ICT services through successive rounds of negotiations under the ASEAN Framework Agreement on Services to realise free flow of services.

4.. Subject to the provisions of the Framework Agreement on the ASEAN Investment Area, each Member State shall:

(a) open immediately its ICT products to investments by ASEAN investors; and

(b) accord immediately to ASEAN investors and their investments in respect of ICT products, and measures affecting such investments including but not limited to the admission, establishment, acquisition, expansion, management, operation and disposition of such investments, treatment no less favourable than it accords to its own like investors and investments.

## **ARTICLE 7**

### **Facilitation of Trade in ICT Products and Services**

1.. To facilitate trade in ICT products, Member States shall conclude Mutual Recognition Arrangements (MRA) covering ICT products, where applicable, and shall align national standards to relevant international standards.

2.. Member States shall endeavour to accelerate the work towards implementation of the ASEAN Sectoral MRA for Telecommunications Equipment.

3.. Member States shall harmonise tariff nomenclature for ICT products through the completion by the year 2000 of an ASEAN Harmonised Tariff Nomenclature (AHTN) and its implementation beginning in the year 2002. Member States shall harmonise customs valuation for ICT products through the implementation of the WTO Valuation Agreement.

4.. Member States shall accelerate work towards agreements on mutual recognition of qualification standards.

## **ARTICLE 8**

### **Capacity Building and e-Society**

1.. Member States shall build an e-ASEAN community by promoting awareness, general knowledge and appreciation of ICT, particularly the Internet. In relation to this, a capacity building programme would be developed on the basis of an evaluation of the e-readiness of ASEAN Member States that would include education and training for small business enterprises, ICT workers, policy makers and regulators. The more advanced Member States with ICT training facilities would offer training courses to the less advanced Member States.

2.. To increase ICT literacy and expand the base of ICT workers in the region, Member States shall develop a regional human resource development programme covering schools, the community and the work place.

3.. Member States shall work towards establishing an e-Society by:

- (a) fostering the development of a knowledge-based society;
- (b) narrowing the digital divide;
- (c) enhancing competitiveness of the workforce;
- (d) facilitating freer flow of knowledge workers; and
- (e) usage of ICT to enhance the spirit of ASEAN community.

**ARTICLE 9**  
**e-Government**

1.. Member States shall utilise the ICT to improve the provision and delivery of services by the government.

2.. Member States shall take steps to provide a wide range of government services and transactions on-line by usage of ICT applications to facilitate linkages between public and private sector and to promote transparency.

3.. Member States shall work towards enhancing inter-governmental cooperation by:

- (a) promoting the use of electronic means in their procurement of goods and services; and
- (b) facilitating freer flow of goods, information and people within ASEAN.

**ARTICLE 10**  
**Dispute Settlement**

1.. Any differences between Member States concerning the interpretation or application of this Agreement shall, as far as possible, be settled by consultation between the Member States concerned.

2.. If a settlement cannot be reached, the dispute shall be dealt with in accordance with the Protocol on Dispute Settlement Mechanism for ASEAN signed on 20 November 1996 in Manila, the Philippines.

**ARTICLE 11**  
**Amendments**

Any amendments to this Agreement shall be made by consensus and shall become effective upon the deposit of instruments of ratification or acceptance by all signatory governments with the Secretary-General of ASEAN.

**ARTICLE 12**  
**Protocols**

Member States may negotiate and conclude separate protocols to implement this Agreement which shall form an integral part of this Agreement.

**ARTICLE 13**  
**Institutional Arrangements**

The Senior Economic Officials Meeting (SEOM) shall supervise, coordinate and review the implementation of this Agreement. The SEOM shall report to the ASEAN Economic Ministers (AEM) and assist the AEM in all matters relating to this Agreement.

**ARTICLE 14**  
**Relationship With Other ASEAN Agreements**

Except as otherwise provided specifically in this Agreement, the provisions of the Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area and its Protocols, the ASEAN Framework Agreement on Services and its Protocols, and the Framework Agreement on the ASEAN Investment Area, including but not limited to the provisions relating to safeguard measures and exceptions, shall not be prejudiced by, and shall apply to, this Agreement.

**ARTICLE 15**  
**Final Provisions**

1.. This Agreement shall enter into force upon the deposit of instruments of ratification or acceptance by all signatory governments with the Secretary-General of ASEAN.

2.. This Agreement shall be deposited with the Secretary-General of ASEAN, who shall promptly furnish each Member State a certified copy thereof.

IN WITNESS WHEREOF WE have signed this e-ASEAN Framework Agreement.

DONE at Singapore, on the 24th day of November 2000, in a single copy in the English language.

*For Brunei Darussalam*

**HAJI HASSANAL BOLKIAH**  
Sultan of Brunei Darussalam

*For the Kingdom of Cambodia*

**HUN SEN**  
Prime Minister

*For the Republic of Indonesia*

**ABDURRAHMAN WAHID**  
President

*For the Lao People's Democratic Republic*

**SISAVATH KEOUNPHANH**  
Prime Minister

*For Malaysia*

**MAHATHIR BIN MOHAMAD**  
Prime Minister

*For the Union of Myanmar*

**SENIOR GENERAL THAN SHWE**  
Chairman of the State Peace and Development Council  
And Prime Minister

*For the Republic of the Philippines*

**JOSEPH EJERCITO ESTRADA**  
President

*For the Republic of Singapore*

**GOH CHOK TONG**  
Prime Minister

*For the Kingdom of Thailand*

**CHUAN LEEKPAI**  
Prime Minister

*For the Socialist Republic of Viet Nam*

**PHAN VAN KHAI**  
Prime Minister