

**MINISTERIAL UNDERSTANDING
ON ASEAN COOPERATION IN TRANSPORTATION**

WE the undersigned, attending the First ASEAN Transport Ministers Meeting held in Bali, Indonesia on 17-19 March 1996;

RECALLING the Bangkok Summit Declaration of 1995 signed at the Fifth ASEAN Summit agreed that ASEAN shall move towards greater economic integration by building on existing economic cooperation activities, initiating new areas of cooperation and promoting closer cooperation in international fora;

NOTING that the Bangkok Summit Declaration of 1995 adopted, *interalia*, the following Agenda for Greater Economic Integration, which is pertinent to the transport sector:

- a) ASEAN shall further accelerate the progress towards the actualisation of AFTA before the target date of Year 2003;
- b) ASEAN shall intensify its cooperative relationships and pursue vigorously economic linkages with its dialogue partners and other regional groupings;

- c) ASEAN shall continue to support sub-regional arrangements;
- d) ASEAN shall move towards enhancing cooperation and freer trade in services through the implementation of the ASEAN Framework Agreement on Services;
- e) ASEAN Member States shall enter into negotiations of specific commitments on market access, national treatment and additional commitments covering all services sectors and all modes of supply giving emphasis to financial services, maritime transport, telecommunications, air transport, tourism, construction and business services;
- f) ASEAN shall complete the implementation of the ASEAN Plan of Action in Transport and Communications for 1994-1996 leading to the development of multimodal transport, interconnectivity in telecommunications, harmonisation of road transport laws, rules and regulations, and human resource development. The Plan may also include the development of an open-sky policy;
- g) ASEAN Sectoral Ministers as well as Senior Officials shall meet regularly to embark on new initiatives to strengthen economic cooperation. ASEAN Economic Ministers and the Senior Economic Officials shall continue to be

the coordinating bodies for all economic activities. All ASEAN economic cooperation decisions shall be made by flexible consensus so that Member Countries wishing to embark on any cooperation scheme may do so while the others can join at a later date.

DO HEREBY AGREE THAT:

1. The objectives of this Ministerial Understanding on Cooperation in Transportation are:
 - a) to establish and develop a harmonised and integrated regional transportation system in order to provide safe, efficient and innovative transportation infrastructure network;
 - b) to enhance cooperation in the transport sector amongst Member States in order to contribute towards the achievement of the objectives of the ASEAN Free Trade Area (AFTA);
 - c) to establish a mechanism to coordinate and supervise cooperation projects and activities in the transport sector; and
 - d) to promote interconnectivity and interoperability of national networks and access thereto taking particular account of the need to link islands, land

locked and peripheral regions with the national and global economies.

2. Member States shall strengthen and enhance existing cooperation efforts in the transport sector and formulate action programmes in areas that are not covered by existing cooperation agreements, through, *interalia*;

- a) policy coordination;
- b) development of infrastructure;
- c) exchange of information;
- d) enhancement of human resource development;
- e) transfer of technology;
- f) strengthening of regional institutional capacities; and
- g) developing ASEAN common stands on international issues in areas of common interest.

3. Member States shall pursue the development of cooperative efforts in the transport sector giving emphasis to the following themes:

- a) harmonization of laws, rules and regulations;
- b) enhance capacity and efficiency of transport infrastructure facilities;
- c) development of institutional and human resource capability;
- d) promotion of environment friendly and safe transport system;

- e) promotion of private sector participation and enhancing public-private sector collaboration; and
 - f) promotion of more competitive environment in the transport sector.
4. Member States shall endeavour to complete the implementation of the ASEAN Plan of Action in Transport and Communications as follows:
- a) *Development of Multi modal Transport and Trade Facilitation;*
 - b) *Development of ASEAN Interconnectivity in Telecommunications, including Fixed and Mobile Voice and Data and EDI Services, for Trade and Business Communications, and to Enhance Land, Sea and Air Transport;*
 - c) *Harmonisation of Road Transport Laws, Rules and Regulations in ASEAN;*
 - d) *Improvement of Air Space Management in ASEAN;*
 - e) *Safety of Maritime Transport and Prevention of Pollution from Ships;*
 - f) *Human Resources Development in Transport and Communications; and*
 - g) *Development of a Competitive Air Services Policy which may be a gradual step towards an Open Sky Policy in ASEAN.*
5. The ASEAN Transport Ministers (ATM) shall meet twice a year *on rotational basis* to discuss *issues of common interest* and to set policy directions in the transport sector. The Meeting of ASEAN Transport Ministers shall be chaired by the host country.
6. The ASEAN Senior Transport Officials Meeting (STOM) shall be the executive body to

supervise, coordinate, and review programmes and directions set by ASEAN Transport Ministers. The STOM shall also be the consultative body on developing consensus on transportation issues in areas of common interest in the international fora.

7. The STOM shall:

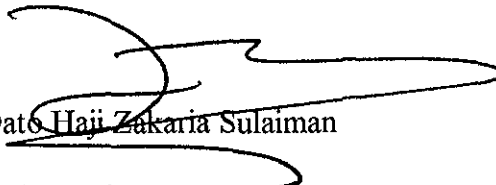
- a) meet regularly and report to the ASEAN Transport Ministers Meeting;
- b) provide a mechanism to promote participation from private sector and non-governmental organizations;
- c) work closely with ASEAN Secretariat in the initiation, coordination and implementation of ASEAN transportation policies and programmes; and
- d) as and when necessary, establish working groups and invite experts from the regional and international organisations in the transport sector to assist it in carrying out its functions.

8. Recognizing that the ASEAN Economic Ministers (AEM) and the ASEAN Senior Economic Officials Meeting (SEOM) are the main coordinators of all ASEAN economic cooperation activities, ATM and STOM shall coordinate with the AEM and SEOM respectively of their activities through the Secretary-General of ASEAN.

9. The ASEAN Secretariat shall be the focal point to assist STOM in carrying out its functions

including providing the support for supervising, coordinating and reviewing the cooperation programmes and activities.

DONE at *Bali, Indonesia*, this *18th day of March 1996*, in a single copy in English Language.




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