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Asean - trade '''

KUALA LUMPUR, July 20 (Bernama) -- Asean today took a major step towards a freer flow of goods between the six countries in the grouping by agreeing to establish a Free Trade Area (FTA) by the year 2000.

At the end of their two-day annual meeting here, they endorsed the FTA which was proposed recently by Thai Prime Minister Anand Panyarachun, as a means of actually increasing the current low level of intra-Asian trade long hindered by tariff and non-tariff barriers.

When opening the meeting yesterday, Malaysian Prime Minister Datuk Seri Dr. Mahathir Mohamad gave the grouping another reminder on how important it is for the member countries not to delay any further efforts towards increasing trade among themselves which now only accounts for 20 percent of their total trade.

A breakthrough made this time is not only that Asean has set a time frame for the FTA --by the turn of the century -- but also the support given by Indonesia. Indonesia's disinterest in opening up its market, Asean's largest, has always been seen a stumbling block towards free trade within the region.

Indonesian Foreign Minister Ali Alatas told a press conference at the end of the meeting today that his country was now ready for the FTA and already taking measures to dismantle the barriers.--more

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Asean - trade 2 Kuala Lumpur '''

Responding to a question over whether Indonesia, regarded as a difficult market to penetrate, would actually allow a free flow of goods from other Asean countries, Alatas said for Indonesia this was a matter of timing and a lot of time was needed for preferential trading arrangements such as provided by the FTA to come about.

+It is a question of each country making decisions based on its own calculations and capacities. For Indonesia, yes...we are the largest populated country and so the largest market in Asean. Yes.. we have to take into account our lower level of development..our lower level of Gross National Product (GNP) per capita though not GNP as a whole,+ he said.

But he said Indonesia in the last one year alone had pushed ahead with market-opening measures such as deregulations, debureaucratization, and overhauls of its banking, communications, trade and customs systems.

Thai Foreign Minister Arsa Sarasin said that unlike previously, it was significant that this time, Asean had set a time frame for this mechanism, noting he was happy that the FTA proposal by the Thai Prime Minister had won all-round support.

Arsa said the actual form or concept of the FTA was being worked out.

He expected a paper on this to be tabled at the meeting of Asean Economic Ministers in October.

The Asean Economic Ministers would submit their proposal for further **Steps to be taken to the Asean Meads of Government** at their summit in Singapore next January.--Bernama

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