

Apec liberalisation binding, says Dr

position in annexure

goal not

Mahathir

By A. Kadir Jasin

JAKARTA, Tues. — Malaysia does not object to the trade and investment liberalisation deadlines agreed to at the Apec leaders' meeting in Bogor today but made it clear that they are not binding.

Prime Minister Datuk Seri Dr Mahathir Mohamad said Malaysia would not object to the deadlines in the Apec spirit that all agreements were achieved through consensus and not binding.

To reinforce this, Malaysia submitted, and was accepted by the meeting, an annexure to the Apec leaders' declaration of common resolve. The declaration was read to a 500-member strong international Press corps at the Bogor Palace by Indonesian President Suharto.

The Apec leaders agreed that developed members would try to liberalise their market by 2010 and the developing members by 2020.

Dr Mahathir told the Malaysian Press at Shangri-La Hotel here, where he is staying, that Malaysia was pleased that its point was accepted by the meeting.

He said Malaysia felt that member countries should not be forced to accept the deadlines unless they were willing and fully prepared.

The annexure submitted by Dr Mahathir states that the target date of 2010 and 2020 are indicative dates and non-binding on member economies.

The annexure states: "Malaysia is of the view that

Apec member economies should, as a matter of priority, ratify the World Trade Organisation agreement, and implement the Uruguay Round results. Malaysia will only commit to undertake further liberalisation of a unilateral basis at a pace and capacity commensurate with our level of development."

On the goal of free and open trade and investment in Asia Pacific to be achieved not later than 2020, Malaysia's interpretation, as contained in the annexure, is as follows:

- the liberalisation process to achieve this goal will not create an exclusive free trade area in Asia Pacific;
- the liberalisation process will be GATT/WTO-consistent and on an unconditional most-favoured-nation basis;

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● the target dates of 2020 and 2010 are indicative dates and non-binding on member economies;

● the liberalisation process to be undertaken will be on a best-endeavour basis;

● Apec member economies will liberalise their trade and investment regime based on their capacity to undertake such liberalisation commensurate with their level of development; and,

● the liberalisation pro-

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Annexure to avoid changes in declaration

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cess will only cover a substantial portion of Asia Pacific trade and should not go beyond the provisions of GATT/WTO.

The Malaysian annexure also states that it is in its understanding that the decisions in Apec should be done on the basis of consensus.

On the Eminent Persons Group, the annexure says that Malaysia subscribes to Asean's recommendation that the group has fulfilled its mandate and that its duration should not be extended.

The Prime Minister said the Malaysian views were expressed separately in order not to force too many changes to the leaders' declaration.

He said it was Suharto's view that to avoid too many changes to the declaration, member States should be allowed to express their differing opinions in the form of an annexure.

Asked if Malaysia had changed its stand on the liberalisation deadline, Dr Mahathir said Malaysia remained firm that all agreements arrived at during the meeting were non-binding,

adding that there was considerable accommodation, flexibility and compromise among the leaders.

He said Malaysia considered the declaration as a general guideline for Apec Ministers in their future deliberations.

He said he was happy Malaysia's view that the developed Apec members should help the developing ones was incorporated in the declaration.

He said he raised the matter in the meeting with Suharto during his last working visit to Jakarta.

Asked what was Malaysia's commitment to the declaration, Dr Mahathir said it would make its best effort to fulfil the objective but would not want to be forced by anybody.

To another question, he said far from objecting to market liberalisation, Malaysia had in fact started reducing tariffs on 2,600 items in the recent Budget without anybody prompting it, adding that the country was committed to accelerating the process.

Asked what would happen to the East Asia Economic Caucus, Dr Mahathir said as far as Malaysia was concerned, the proposal would proceed.