

25 NOV 1996

APEC: LEADERS ENDORSE MANILA ACTION PLAN FOR APEC

By: Yong Soo Heong

SUBIC BAY, Nov 25 (Bernama) -- Leaders of the 18 APEC economies today endorsed the Manila Action Plan for Apec (Mapa) with a declaration launching the implementation phase of the region's free and open trade and investment agenda which would take effect from January next year.

They said APEC's collective achievements of sustained economic growth, increased employment and regional stability were a result of their shared commitment to growth-oriented policies, the broadest participation in the regional and global economy and an environment of stability and security.

The declaration was read by Philippine President Fidel Ramos as chairman of this year's Manila Summit.

Prime Minister Datuk Seri Dr Mahathir Mohamed represented Malaysia at the Summit, his third after those in Bogor (Indonesia) and Osaka (Japan) as he did not attend the first summit hosted by the United States in Blake Island, Seattle.

Reading the declaration, Ramos said: "We came to Subic to strengthen this commitment and to reaffirm that the ultimate objective of our individual and collective endeavours is to enrich the lives and improve the standards of living of all our citizens on a sustainable basis."

At Blake Island three years ago, the leaders committed themselves to "deepening our spirit of community based on our shared vision of achieving stability, security and prosperity for our peoples," he said.

In Bogor in 1994, they began the process of realising the vision committing themselves to the goals of free and open trade and investment in the region and in Osaka last year, they agreed on the framework of "our future work to reach our common goals built through trade and investment liberalisation, trade and investment facilitation and economic and technical co-operation."

This year's summit is the fourth since Blake Island in 1993 although APEC started in 1989 in Canberra. In a nutshell, the leaders at Blake Island enunciated a vision of a community of Asia Pacific economies.

In Bogor, the leaders articulated a goal of free trade and investment by the year 2010 for industrialised economies and 2020 for developing economies.

Malaysia's stand with regard to the Bogor Declaration was that such commitments should be voluntary and non-binding and each member country should be allowed to determine a pace they were comfortable with.

This stand was also adopted at last year's summit in Osaka when the Osaka Action Agenda was formulated as well as at this year's summit.

In today's declaration, Ramos said: "We have deepened the spirit of community in the Asia-Pacific region and have reaffirmed our commitment to sustainable growth and equitable development."

The leaders also delivered business facilitation measures, agreed to advance common goals in the World Trade Organisation, developed ways to strengthen economic and technical cooperation and engaged the business sector as a full partner in the APEC process, he added.

Referring to MAPA, Ramos said the leaders brought to Subic their individual and collective initiatives in fulfilling their voluntary commitments to implement the Osaka Action Agenda.

Ramos said: "MAPA contains the first steps of an evolutionary process of progressive and comprehensive trade and investment liberalisation towards achieving our Bogor goals by 2010/2020 in accordance with the Osaka

Agenda.

"We are determined to sustain the dynamism of our plans through a continuous process of review and consultations. We are committed to build on Mapa, and to improve our individual action plans, including their comparability and comprehensiveness."

MAPA has three components -- Individual Action Plans (IAPs), Collective Action Plan (CAP) and Joint Activities in Economic and Technical Cooperation.

MAPA also represented advancements in six core areas -- greater market access in tariff and non-tariff measures; enhancing market access in services; providing an open investment regime; reducing the cost of doing business; building an open and efficient infrastructure sector; and strengthening economic and technical cooperation.

The core areas also encompass work programmes covering more than 320 projects aimed at enhancing progress in those areas.

Ramos said the leaders welcomed the decision of the ministers to meet next year to review the IAPs and to take into account the views of the private sector.

The ministers had also been instructed to identify sectors where early voluntary liberalisation would have a positive impact on trade, investment and economic growth in the individual APEC economies as well as the region and report to the leaders on how this could be achieved.

He said member economies had made their tariff regimes more transparent and agreed to harmonise tariff nomenclature by the end of the year and Customs clearance procedures by 1998.

They also agreed to realign national standards with international standards and to recognise each other's standards.

The leaders directed their ministers to intensify work on simplification of Customs clearance procedures, implementation of intellectual property rights commitments, harmonisation of Customs valuation, facilitation of comprehensive trade in services and enhancing the environment for investments.

Referring to the contentious telecommunications and financial services sectors, Ramos called on APEC members to make efforts to complete their outstanding negotiations and to establish a substantive and balanced programme of further work that would move the WTO forward.

He also referred to the leaders calling for conclusion of the Information Technology Agreement (ITA) by the Singapore WTO meeting that would substantially eliminate tariffs by the year 2000 although recognising the need for flexibility.

Under its IAP, Malaysia's commitment in terms of greater market access through tariff and non-tariff measures would include its latest tax cuts contained in the 1997 National Budget.

The Malaysian position is that it would continue unilateral tariff reductions under the annual budget exercise.

In terms of market opening measures in the services sector, Malaysia has committed to allow foreigners to acquire up to 49 percent of stockbroking firms. Foreigners are also allowed to own up to 70 percent of local fund management companies.

In Malaysia's financial services sector, about 40 percent of trade financing is being handled by foreign financial institutions. In the insurance sector, foreign companies account for 65 percent of the market.

In the commercial banking sector, foreigners accounted for about 40 percent of total assets.

As for the IT sector, about 60 percent of the items in Malaysia are duty free. -- BERNAMA

SHY LDB

