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APEC MOVES A STEP FORWARD WITH MAPA

By: Yong Soo Heong

MANILA, Nov 26 (Bernama) -- Everyone who mattered at the Apec Economic Leaders Meeting came away feeling that they have moved the Apec process forward.

And that was exactly what the Philippines, as chairman of this year's meeting, wanted to see -- a crowning success -- in the wake of ambitious plans to be another "Asian tiger."

Prime Minister Datuk Seri Dr Mahathir Mohamad hailed the Manila Summit as a success in that the leaders had no problems in formulating the Manila Action Plan for Apec (Mapa) that was acceptable to everyone.

"At least, we did not come away from the summit feeling disappointed or angry with each other," he said.

Malaysia scored at the Manila Summit by making known its stand on the US initiated Information Technology Agreement (ITA) which Dr Mahathir insisted must be flexible when implemented.

Another area in which Malaysia made a significant contribution to Apec was its proposal that the timeframe for accepting new members be reduced.

If what Malaysia proposed was implemented, the 1998 Kuala Lumpur Apec Summit would see the inclusion of new members in Apec which now has 18 members.

Dr Mahathir said he was in favour of bringing more countries into Apec because if people were kept out, they might not understand the objectives and visions of the grouping.

In all, consensus was reached on a broad front in Mapa which incorporated six core areas pertaining to boosting open trade in the region, reducing tariff and non-tariff barriers, enhancing market access to service-related sectors, providing an open investment environment, reducing the cost of doing business, building an open and efficient infrastructure sector and strengthening economic and technical cooperation.

Interestingly, the issue that commanded attention was the ITA which calls for tariffs to be cut to zero on all IT products by the year 2000. Voicing strong objection, Malaysia said not all countries would be able to open up their markets as their indigenous industries needed some breathing space.

When Mapa was released, there were concerns that Malaysia had compromised on the issue following the inclusion of a paragraph on the ITA.

It said that in view of the importance of information technology in the 21st century, the Apec leaders called for the formulation of the ITA by the World Trade Organisation meeting which would lead to "substantially eliminating tariffs" by the year 2000 but recognising the need for flexibility as negotiations among the various countries' trade negotiators in Geneva proceeded.

The clause on "substantially eliminating tariffs" did not state an absolute amount and this reflected the flexibility requirement.

Dr Mahathir explained that Malaysia was satisfied with the revised version of Mapa as the wording of the declaration provided for the flexibility where, if Malaysia was not ready to open up its market, it would not submit to ITA.

He said Malaysia could accept the 2000 deadline but "we feel there must be flexibility and that has been written in the statement."

He credited International Trade and Industry Minister Datuk Seri Rafidah Aziz for being instrumental in revising the wording of the

particular paragraph on the ITA after she indicated that Malaysia could live with the declaration.

The Malaysian position is that if the US wanted to reduce its tariffs to zero, it was that country's business.

Dr Mahathir said Malaysia could support the ITA to the extent it did not hurt Malaysia.

"Let us recognise that some people are less strong than other people," he said, adding that the issue should not be dismissed as political arguments.

Rafidah, in reaffirming Malaysia's stand, said one had to be realistic and pragmatic when negotiating the agreement as some countries could not even take the first step towards a more liberalised market regime.

For Malaysia, she added, about 60 percent of her telecommunications products were already duty free. "We have already moved. (But) it is a question of principles," she said.

For Malaysia, it could also invoke a specific provision under the Uruguay Round of trade negotiations for differential treatment for development countries.

But detractors of Malaysia's strong and principled stand were quick to label Malaysia the "United Kingdom of Apec" in reference to the UK's opposition to the European Monetary Union (EMU).

The mostly pro-US lobby, particularly prevalent in Manila, had forgotten that even the Osaka Action Agenda had called for flexibility in the Apec work programmes.

Philippine foreign affairs under-secretary Frederico Macaranas said the uniqueness of Apec was able to ensure that its projects were able to move forward on some kind of consensus.

Edunet, a distance-learning education project between the US, Chile, South Korea and the Philippines, was a fine example. The smartcard visa for use between South Korea, Australia and the Philippines was another.

Saying that Apec must make adjustments for individual differences, he added: "In many areas, not everyone is participating in certain arrangements and cooperation. There are different timeframes for different economies in various work programmes.

"It is the end point that we are interested in and not the first step. Apec wants to see everyone at the end point."

After all the hype on negotiations, discussions and declarations and, notwithstanding the tight security, protests and bomb threats during the summit, what does Apec really mean to ordinary people?

This was best summed up by Philippine president Fidel Ramos who said the true importance of Apec lay in its unparalleled potential to stimulate new economic opportunities throughout the region.

"At the most basic level, the Apec vision is about improving people's lives," he added. And that significant process has started. -- BERNAMA

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