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APEC MEETS AMIDST GLOOMY ECONOMIC SETTING

By: Salmy Hashim

VANCOUVER, Nov 19 (Bernama) -- The fifth annual summit of the Asia Pacific Economic Cooperation (APEC) forum, hosted by Canada, kicks off Wednesday under a cloud of gloom as countries in Asia grapple with their economic crisis.

This year's meeting, which will last until Nov 25, is in stark contrast to the more optimistic view of the "Asian century" in Manila last year when the Asian members of Apec were riding high on their robust economic growth. And now, with the economic uncertainty gripping half a dozen Asian economies, the stakes at this year's summit are higher than before.

With the economic turmoil hovering over Asia, some analysts are wondering whether Apec's voluntary goal of eliminating tariffs in the region by 2010 for developed countries and by 2020 for developing countries will hold or unravel.

Opponents of trade and investment liberalisation in the region may just win their argument in the midst of the crisis, that has seen fallen currencies and crashing stock market, which has swept like a typhoon across Southeast Asia and Hong Kong leaving the Asian "tigers" declawed and weak.

Instead of the usual focus on reduction of trade barriers, the meeting is expected to seriously discuss the problem of out of control currency speculation that has made countries in Southeast Asia at least 20 percent poorer. A surveillance mechanism for Asian countries in crisis dubbed the "Asian Monetary Fund", somewhat similar to the International Monetary Fund, is likely to be brought to the table.

The annual meeting has opened with the Senior Officials Meetings (SOM) in this Canadian city, transformed over the last decade by immigrants from Hong Kong, Taiwan and other Asian countries, where they will prepare the groundwork for trade and foreign ministers to hammer out final deals this weekend.

The seven-day meeting will culminate with the summit of 18 leaders on Monday and Tuesday at the University of British Columbia's Museum of Anthropology where they will discuss the region's economic future.

The leaders include Malaysia's Prime Minister, Datuk Seri Dr. Mahathir Mohamad, US President Bill Clinton, Canadian Prime Minister Jean Chretien, Japanese Prime Minister Ryutaro Hashimoto, Chinese President Jiang Zemin and Indonesian President Suharto.

Malaysia has said that it will bring to the table the issue of extra-territorial legislations such as those introduced by the US. The US has its Helms-Burton law on Cuba punishing companies that invest in properties formerly owned by US companies, and also the Iran-Libya Sanctions Act where foreign companies that do business with these so-called terrorist states face sanctions.

The US is currently investigating Total of France, Gazprom of Russia and Petronas of Malaysia for their US\$2 billion deal to develop the Iranian gas industry. A Canadian and an Indonesian company are also being investigated by the US for their oil and gas contracts with Iran.

The Vancouver meeting is also likely to discuss next month's global warming conference in Kyoto, Japan, as leaders assess each other's commitment to binding targets to reduce greenhouse gas emissions.

Despite the vagueness of Apec's organisation and achievement, there is a long line of countries eager to become members and they include Vietnam, Russia, India and Peru.

The present 18-member economies are Malaysia, Australia, Brunei, Canada, Chile, Hong Kong, China, Japan, Indonesia, Mexico, New Zealand, Papua New Guinea, Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

Some 5,000 delegates from the 18 economies that make up 40 percent of the world's population and half its economic production are expected to turn up with their umbrellas in this rain-drenched city.

A cab driver said in jest, "We've had 10 days of good weather and now we will be punished with rain for the next 400 days!" -- BERNAMA

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