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Enhancing Asia-Europe ties

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A STARK difference separates Asia and Europe - one that is responsible for the former's increasing global economic clout and the latter's complacency. Today, it is this difference that has brought both regions to meet along a common track.

Asia's "poor" beginnings has served as a catalyst for the region to strive towards economic competence. Europe, on the other hand, basking in its privileged "rich" beginning and well immersed in its internal affairs, has been caught unaware with the emergence of a strong Asia.

There are indications that Asean may be able to remain on a high growth trajectory in the foreseeable future. Since 1986, the member countries have achieved an annual average growth rate of over 7 per cent or twice the average of other developing countries.

This is quite remarkable given that half of the countries listed in the Human Development Report by the United Nations Development Programme have experienced economic decline or stagnation during the same period.

As such, Europe can no longer ignore the abundance in Asia's economic tray of opportunities, thus realising its global economic assertion partially hinges on good trade relations with Asia.

As for Asia, given its rapid pace of development, a better rapport with Europe will go a long way to assist its huge infrastructural and capital needs through European investments and technology.

Such realisation brought about the inception of the Asia-Europe Meeting (Asem) in Bangkok last March, attended by leaders of 10 Asian countries and 15 European Union leaders. Since then, a string of dialogues between business and political communities of both regions have taken place.

The summit marked the first step to narrow the gap between both regions straddled by immense distance, culturally and economically.

The establishment of a 4,700 km Singapore-China trans-Asian rail link (commencing initially with the railway project of the Mekong Basin development) to be subsequently integrated with the trans-European railway network was proposed at the inaugural Asem.

Malaysia was picked to coordinate the project, which has drawn support and interest from countries in both the regions.

The planned network will allow for rail travel from Singapore to Europe via Indochina and China. It will pass through Kuala Lumpur, Bangkok, Ho Chi Minh city and lead to Kunming in south-western China before heading to Europe.

This important and massive infrastructure project will serve to narrow the geographical gap between Asia and Europe while complementing efforts to broaden economic rapport and strengthen social and cultural cooperation.

At the Bangkok meeting, it was also proposed that an Environmental Technology Centre for Asia and Europe be set up.

At the end of the summit, Prime Minister Datuk Seri Dr Mahathir Mohamad described the event as one that succeeded in focussing on certain concrete projects as well as reducing the gap of cultural misunderstanding between Asia and for most, their former colonialists in Europe.

The next Asem is scheduled to be held in London next year and the third in South Korea in the year 2000.

Leaders recognise that meaningful partnership should be established on common grounds. This envelops a common commitment to market economy, open

multilateral trading system, non-discriminatory liberalisation, and open regionalism.

In addition, any regional integration and co-operation should be consistent with the principles of the World Trade Organisation.

While economics largely serve to drive and boost the relations between Europe and Asia, both parties have agreed that social and cultural cooperation should not take the booth.

To this end, at the meeting in Bangkok, Malaysia and Singapore came up with positive suggestions.

Singapore had put forward the establishment of an Asia-Europe Foundation (Asef), a non-profit organisation which aims to enhance and strengthen understanding between both regions through greater intellectual, cultural and people-to-people exchanges. The Republic had offered US\$1 million (US\$1 = RM2.49) to start the ball rolling.

One of the main highlights of the Asem foreign ministers' meeting in Singapore will be the launch of Asef this Saturday, the last day of the Asem Foreign Ministers' Meeting.

Dr Mahathir had suggested the establishment of an Asia-Europe university programme to enhance the understanding of cultures, histories and business practices in the two regions.

Following the summit in Bangkok, the first meeting of European and Asian businessmen was held in Paris last October. It was attended by 125 businessmen.

The creation of Asem Business Forum reflects the political endeavour at the highest level to establish relations between the regions which are as wide and as strong as those between Asia and America and, of course, Europe and America, thus completing the link between three of the world's vital economic regions.

Participants from both regions had sought to enunciate the initiatives of political decision makers and the needs of economic decision makers to optimise efforts of both.

The Asean-EU Ministerial Meeting (AEMM), which takes place here on February 13-14, will reveal how far plans and promises made at Asem in Bangkok have held. This revelation will reflect both regions' commitment to mould better relations with each other.

The meeting will also be an important yardstick to measure the future development of Asean-EU relations.

The meeting is expected to consider the report by Asean-EU Eminent Persons Group, as well as the EU proposal on a "New Dynamics in Asean-EU Relations" on ways and means to qualitatively and quantitatively enhance the ties.

The Ministers' conclusions on how Asean-EU ties can be strengthened will serve to further hasten the process of upgrading the relationship.

Asean has already pushed for the idea of frequent and open dialogues, which are the key to strong government and private sector links.

On their part, Asean ministers have agreed to cooperate to ensure that their Asean Economic Ministers (AEM) forum continues to play an important role in the evolution of Asem and the implementation of follow-up actions agreed to by Asem.

The EU proposal on a "New Dynamics in Asean-EU relations" suggests that its action with Asean, if it is to complement Asem, should set its sights on a greater degree of achievement than what has been shown so far.

Europe is the second largest investor in Asean ahead of the US but behind Japan. Europe accounts for 14.1 per cent of overall investment in Asean.

For Asean, the European Market represents its second biggest export market.

On these scores alone, there are a lot at stake for both regions to ensure that if it could not narrow the distance, the Singapore meeting could at least prevent both regions from drifting farther apart.

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