

16 OCT 1997

AEM: ASEAN INITIATES STUDY FOR REGIONAL ELECTRONIC COMMERCE

By: Mohd Rizal Razalli

PETALING JAYA, Oct 16 (Bernama) -- The call by the Prime Minister Datuk Seri Dr Mahathir Mohamad that Asean harness the benefits of information technology was quickly followed up in the Asean economic ministers meeting (AEM) here today. It suggested that the ministers initiate a study on Dr Mahathir's proposal for an Asean Global Electronic Commerce (AGEC).

The Philippines secretary of trade and industry Cesar B Bautista said ministers must study the idea because "there are many applications that need to be understood by every country".

"The point that was raised in the AEM meeting is that Asean members have to do their homework because AGECE is going to be a very powerful mechanism for commerce in the future," he told reporters during lunch break.

A thorough study, he said, was needed to make sure an intra-regional commerce by electronics grew appropriately.

"Asean also wants to be sure it is not going to be a way of overpowering local traders and manufacturers," he said.

Dr Mahathir in his opening address to the AEM said the group needed to reap benefits from developments in IT very early before the enormity and speed of these developments render the situation impossible for the group to catch up.

"The conduct of trade and commerce itself has not been spared from the development of IT," he said, and added that electronic commerce was the buzz word that Asean needed to embrace.

Cesar said Asean has to study the significance of "this future plan," and its likely impact on the group's future economy.

He said: "We should not agree to discourage it because electronic commerce can make business grow within Asean.

"We have to be sure that it (the AGECE) is competitive for Asean industries."

Cesar also said it was possible that more views would emerge by the next September AEM meeting, and also in other forums such as the Asean Summit in Kuala Lumpur in December.

Separately, on the Asean Investment Area, a Thai commerce ministry official said that an Asean company must have at least 30 percent equity ownership to conduct any business activity in the area.

"However, there is an issue being raised on how to define a real and pure Asean company," said Karun Kittisataporn, the director-general in the department of business economics, Ministry of Commerce.

Asean ministers today were firming up the guiding principles governing the AIA, which is meant to increase the competitiveness of the region as an international production centre.

Details of a framework agreement is expected to be completed by the 30th AEM next September. -- BERNAMA

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