

13 DEC 1997

Summit-preview

LANDMARK EAST ASIA SUMMIT HIGHLIGHTS ASEAN COMMEMORATIVE BASH

By: Tham Choy Lin

KUALA LUMPUR, Dec 13 (Bernama) -- Amidst the gloom of a regional currency turmoil, leaders of East Asian countries began arriving in the Malaysian capital for their first-ever gathering to coincide with the 30th Commemorative Summit of the Association of South East Asian Nations (Asean).

Officials remain cautiously optimistic of the inaugural informal summit of the nine-member Asean and China, Japan and South Korea taking place on Monday despite the sombre outlook.

"The Asean Plus 3 Summit has the potential of becoming the most important regional event of 1997. The most powerful political and economic forces of Asia will be sitting at the same table with Asean leaders to talk about the future and the roles that they want to play," said an Asean diplomat.

"For the first time, the economies of East Asia will be discussed exclusively by its own leaders, no outsiders will be present. Given the present climate caused by the currency problem, the summit has been granted added importance, it is crucial and a climax in itself," he said.

Chinese President Jiang Zemin, Japanese Prime Minister Ryutaro Hashimoto and South Korean Prime Minister Koh Kun will join the Asean leaders at the conference table.

Asean groups Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

South Korea, Thailand and Indonesia, are already on multi-billion dollar bailouts by the International Monetary Fund (IMF).

With the exception of Indonesia's President Suharto, who cancelled his trip here on doctors' advice, the rest of the Asean leaders will meet for their own second informal summit, dubbed the "Commemorative Summit", on Monday morning before taking to the Asean Plus 3 Summit in the afternoon.

All eyes will be on summit chairman and Malaysia's Prime Minister Datuk Seri Dr Mahathir Mohamad and his Japanese counterpart, Ryutaro Hashimoto, who is expected to announce an aid programme including soft loans to Asean countries hit by the currency turmoil.

Dr Mahathir, an outspoken critic of the existing system and proponent for regulated currency trading, had said that Malaysia welcomed the Japanese offer of soft loans but would also want to know the conditions attached.

"But the basic problem is whether the currency will continuously be devalued. If it is, then no matter how much you borrow, the problem would not be solved," he said upon his return from Teheran yesterday.

(Dr Mahathir was in Tehran for the summit meeting of the Organisation of Islamic Conference which Iran hosted for the first time).

Japan is the largest foreign investor in Southeast Asia and also Asean's biggest trading partner. Asean-Japan trade totalled US\$116.5 billion last year.

Officials said Japan was also expected to stick to the decision taken in Manila last month on an IMF-linked facility fund to stabilise the currency turbulence.

The Asean Plus 3 Summit is also seen as a "de facto" East Asia Economic Caucus (EAEC) mooted by Malaysia way back in 1990 but lacked the vital support of Japan due to pressure from the United States because the grouping would not involve Washington.

"It doesn't matter even it is not called the EAEC officially but the purpose of such a cooperation is now becoming a reality," said an observer.

It was more vital that East Asian countries have a platform to discuss and forge common if not take joint stand for their own good, the observer said.

The presence of President Jiang, who visited the US recently, would attest to Beijing's ambition of playing a strategic role in the region.

Another key agenda for the leaders is to examine the prospects for East Asia in the 21st century.

On their own, the Asean leaders would endorse an Asean Vision 2020 roadmap that charts the grouping's political and economic direction after the Asean Free Trade Area is implemented by 2003.

They would also continue discussing the Asean-mooted Mekong Basin development programme to develop the Indo-Chinese peninsula despite the softening economic situation.

Asia-Europe relations would also be deliberated upon in view of next April's Asia-Europe Meeting (Asem) in London.

The sticky point is Europe's opposition to the inclusion of Myanmar, which joined Asean this year, for the meeting.

Asean held its first informal summit in Jakarta last year. The grouping holds its formal summit every three years and Vietnam is scheduled to host the upcoming one next year. -- BERNAMA

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