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Ministers endorse pact to liberalise services

THE nine Association of South-East Asian Nations (Asean) economic ministers yesterday endorsed the first package of liberalisation of services targetted to be implemented not later than March 31 1998.

The package contains offers in five services sectors: air transport (Brunei, Singapore and Malaysia), business services (the Philippines), maritime transport (Indonesia, Malaysia and Thailand), telecommunications (Vietnam) and tourism (Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam).

International Trade and Industry Minister Datuk Seri Rafidah Aziz, speaking at a joint press conference at the end of the 29th Asean Economic Ministers (AEM) in Petaling Jaya yesterday, said the protocol to implement the initial package is expected to be signed at the Asean Commemorative Summit in Kuala Lumpur in December.

The initial offers, negotiated by the Asean countries since January 1996, also involve all modes of service supply: cross-border supply, consumption abroad, commercial presence and movement of natural persons.

A significant number of the offers involve opening of new service sectors that were not previously include in the General Agreement on Trade in Services. This is true of all the offers in air transport, business services and most of the offers in tourism.

Laos and Myanmar, which joined Asean as its eighth and ninth member respectively on July 23, had also submitted their initial offers.

Rafidah also said that the nine ministers agreed to adopt an alternative approach to negotiations in services to ensure the quick realisation of free flow of services in Asean by the year 2020.

The approach is on a sectoral and sub-sectoral basis rather than products basis.

"We have not finalised the entire package. We have asked the senior economic officials to fine-tune and finalise the package before the AEM informal meeting April next year," she said. The informal meeting will be held in Phuket, Thailand before April next year.

Asked if the Asean ministers were satisfied with the liberalisation of services, she said: "From having nothing (in 1996 when it was first negotiated), we now have five.

"You also have to bear in mind that this is an initial package," she said.

Earlier in her address at the opening of the AEM by Prime Minister Datuk Seri Dr Mahathir Mohamad, Rafidah said negotiations covering the remaining sectors of financial services and construction services will be completed by the end of 1998.

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