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AEM: FIRST SERVICES PACKAGE UNDER TRADE LIBERALISATION TO BE ENDORSED

By: Azlina Aziz

PETALING JAYA, Oct 16 (Bernama) -- The first package of liberalisation of services will be endorsed at the two-day 29th Asean Economic Ministers' Meeting, starting today.

It covers tourism, telecommunication, air and maritime transport services and business services, Minister of International Trade and Industry, Datuk Seri Rafidah Aziz said.

Negotiations covering the remaining sectors of financial services and construction services would be completed by the end of 1998, she said at the opening of the 29th AEM meeting which was officiated by Prime Minister Datuk Seri Dr Mahathir Mohamad here.

The negotiations to liberalise trade in services among Asean countries was launched at the Asean Summit in Bangkok in December 1995.

Over the next two-days, Asean member countries would also firm up the guiding principles of the Asean Investment Area (AIA) to further increase the competitiveness of the region as an international production centre, she said.

The AIA will provide a freer environment for capital flows, as well as effect transparency and predictability of policies and practices in investment and its framework is expected to be completed by the 30th AEM next year in Manila.

The minister said the 29th AEM would also deliberate on economic strategies and initiatives towards the realisation of the Asean Vision 2020 whose theme is "Cooperation in Dynamic Development".

Asean's Vision 2020 will ensure that Asean moves forward as a region of growth, and at the same time narrow disparities in the levels of development among member countries.

In forging inter-regional relationships, Asean Economic ministers would have consultations with MITI-Japan, the Closer Economic Relations (CER) countries of Australia and New Zealand and the Southern African Development Community.

Rafidah said linkages between the region would benefit its respective member countries through greater flows of trade and investment as they would be appraised of liberalisation plans and the existing opportunities.

At the same time, facilitation measures, and the incremental removal of other impediments to trade, will contribute to reducing the cost of transactions for both exporters and importers, she added.

On the Asean Free Trade Area (Afta), the implementation of tariff reductions under the Common Effective Preferential Tariff (CEPT) scheme is on schedule.

The AEM would also address specific problems and procedures for notification either under normal or emergency circumstances in the implementation of CEPT tariff reduction. -- BERNAMA

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