

THE year 1993 was a rocky one for Apec. That was the first time Apec held an informal leaders' summit in Blake Island, Seattle, which has since become an annual affair.

That was also the year that saw a diplomatic row between Malaysia and Australia when Datuk Seri Dr Mahathir Mohamad stayed away from the summit since Malaysia was against any move to institutionalise Apec.

The trouble started when the then Australian Prime Minister Paul Keating called Dr Mahathir a "recalcitrant" for refusing to attend the summit.

The word caused a diplomatic tiff between both countries with even Malaysia's opposition groups rallying behind Dr Mahathir.

A year later, Keating requested a bilateral meeting with Dr Mahathir in Jakarta, Indonesia, on the sidelines of the second Apec summit.

After the meeting, Dr Mahathir announced that the word "recalcitrant" was no longer in their vocabulary, and both sides put their troubles behind them.

That episode underscored Dr Mahathir's determination to fight for the right of East Asian economies in Apec to have their own exclusive talkshop through the proposed East Asia Economic Caucus (EAEC).

It was evident that Clinton had proposed the Apec summit in a move to counter moves to set up the EAEC after Asean had adopt-

Rocky start to informal annual summit

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ed the Dr Mahathir-mooted idea for an Asian talkshop minus the US and Australia.

The US had implied that the EAEC - which sought to group Asean members, Japan, China and South Korea in a loose consultative forum - would threaten Apec.

Washington's opposition drove China, Japan and South Korea to be cautious about joining the caucus and Dr Mahathir's decision to stay away from the Apec summit was seen by diplomats as retaliation.

The 14 leaders who met in Seattle came up with the Blake Island economic vision for an Asia Pacific that would galvanise the energy of its diverse economies, strengthen co-operation and promote prosperity.

These objectives would serve to contribute towards an expanding world economy and support an open international trading system through continued reduction of trade and investment barriers.

Even though the vision statement was viewed as lip service, Clinton announced that the loose economic community of Apec had given a new voice for Asia Pacific in world affairs.

The grouping would also be an "open" one, he said.

The initial proposal was to have

the leaders meet once every three years. But the leaders eventually decided to make the informal summit an annual affair with Indonesia hosting the second meeting in Bogor.

At the invitation of then President Suharto, Dr Mahathir attended this meeting and stole the thunder as foreign newsmen packed the Malaysian prime minister's press conferences.

The leaders came out with a declaration for trade liberalisation and facilitation in the region no later than 2010 for developed economies and 2020 for developing ones after much hassle.

Malaysia, however, added an annexure to the Bogor action plan where Kuala Lumpur outlined that the obligation should be non-binding and on best endeavour basis.

That created some uneasiness among the advanced economies who were keen to have the deadlines as mandatory schedules.

The leaders also agreed to narrow the gap of development among Asia Pacific economies by providing opportunities for sustainable growth, equitable development and member economy stability.

It was in Indonesia that Malaysia offered to host the 10th Apec ministers meeting and leaders

summit in Kuala Lumpur this year.

In November 1995, the leaders met in Osaka, Japan, but minus Clinton.

Clinton was represented by his vice-president Al Gore as the president had to resolve a deadlock with the US Congress over the country's budget.

In Osaka, Dr Mahathir made a call for exchange rates to be regulated because speculation had created havoc in the financial market and badly affected Mexico.

But obviously everyone was more interested in translating the Blake Island vision and the Bogor goals into reality and adopted the Osaka Action Agenda, a blueprint for implementing their commitment to trade and investment liberalisation and facilitation, and economic and technical cooperation.

A Trade and Investment Liberalisation and Facilitation (TILF) special account was set up under the central fund for Apec projects that supported the implementation of the Osaka action plan.

In Subic in 1996, the Manila Action Plan for Apec (Mapa) was adopted - which included individual and collective action plans on liberalisation and progress reports on joint activities towards that end.

Joint activities included the Apec educational network, the Asia Pacific energy research centre, the Apec labour market information network, and the trade and investment database.

The leaders listed six high priority areas - developing human capital, fostering safe and efficient capital markets, strengthening economic infrastructure, harnessing technologies of the future, promoting environmentally sustainable growth, and encouraging the growth of small and medium enterprises.

In Vancouver, Canada, last year, the summit endorsed the economic ministers' agreement that action be taken to implement the Early Voluntary Sectoral Liberalisation (EVSL) scheme in 15 sectors, with nine fast track sectors to be implemented next year.

But perhaps more importantly, the Vancouver meeting was the first time the Apec leaders were meeting during a financial crisis that had resulted in the economic slowdown of several member economies.

The leaders agreed then not to respond to the crisis by erecting new trade barriers, but instead reaffirmed their commitment for liberalisation, and free and open trade.

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