

# High expectations of KL summit

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The Asia Pacific Economic Co-operation (Apec) forum celebrates its 10th anniversary this year as Malaysia plays host to the Asia Pacific leaders and ministers for the first time.

The Apec meetings promise to be a grand affair with over 3,000 delegates, officers and business leaders expected to converge on Kuala Lumpur for Apec 1998.

About 2,400 media people from all over the world are also expected to be present to cover the meetings, which will have far-reaching effects on the lives and future of the Asia Pacific community.

Expectations are running high that the KL meetings will undertake serious and effective measures to ease the burden of the millions of people affected by the financial and economic crisis in the region.

Prime Minister Datuk Seri Dr Mahathir Mohamad will chair the leaders' summit at Cyberjaya which will be attended by leaders from 21 economies including President Bill Clinton of the United States.

THE issues are aplenty and expectations even more at Apec 1998.

In last year's Apec summit in Vancouver, many leaders managed to steer away from the Asian financial crisis. But this time around, no member economy will want to miss out. Every leader and minister is coming with a suggestion or view of what should be done.

The crisis, which began in July last year, has since spread to many other countries in various degrees, devastating the economies of many Asian nations.

Already leaders or even senior officials of member economies have started talking about the role of Apec to help resolve the crisis.

If Prime Minister Datuk Seri Dr Mahathir Mohamad was vocal last year, he will not be alone this year as many others seem to be echoing his views for some form of control over speculative attacks on currencies to check their devastating effects on the people.

Dr Mahathir has already said that he would place anti-speculation measures on the agenda, which include steps to counter international short-term speculative investments.

"Benefit should be promised to both developed and developing countries equally," he was reported to have said in a letter to Japanese Prime Minister Keizo Obuchi.

United States Secretary of State Madeline Albright says the crisis is far more than an economic problem, triggering social problems affecting millions of people.

The US is expected to press governments to build up their social programmes and help create jobs to bolster stability.



"We will ask regional governments and institutions to join us in expanding support for social safety nets, job creation and small enterprises, to help societies stabilise and put people back to work," Albright said.

Even US trade representative Charlene Barshefsky has said that the upcoming summit would be a "sombre, cautious and concerned" affair.

"We're really dealing with a different economic world than we were a year ago," she added.

The Apec Business Advisory Council (ABAC) has proposed that Apec leaders endorse a plan to jointly raise liquidity in the region by collectively issuing sovereign bonds to help crisis-hit member economies.

It would require stronger economies like the US, Japan, Taiwan and Singapore to come in as sponsors and pool their resources with the troubled economies.

Japan's Obuchi will explain Tokyo's new economic stimulus plans which will be tabled on Nov 16. This would be the third package.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz had said that Apec must focus

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Nov 12-13: Apec Senior Officials Meeting

Nov 14-15: Apec Ministers Meeting

Nov 17-18: Apec Leaders Informal Summit

on resolving the crisis so as to provide the right environment to implement the grouping's work programmes.

Without measures to solve the current crisis and prevent a similar one in future, many of the work programmes mooted by Apec over the past 10 years would be difficult to implement.

Australia, meanwhile, wants to see trade liberalisation agenda taken forward and a host of other issues, including good economic governance, improving prudential supervision and administration of financial system in Apec economies.

Malaysia is currently leading a collaborative initiative among Apec finance ministers on corporate governance and a report is being prepared for the finance ministers' meeting next May.

The report will seek to identify private sector perceptions of key issues and problems in the area of corporate governance and review worldwide standards on the subject.

Most economies are pushing for some progress on the Early Voluntary Sectoral Liberalisation.

Apec leaders in Vancouver endorsed nine priority sectors for fast track tariff liberalisation which would be endorsed at this summit. However some disagreements remain among Apec members, especially Japan's reserva-

tions over forestry product and fisheries.

This summit will also see the continuity of the Trade and Investment Liberalisation and Facilitation (TILF).

It was also reported that the Apec meeting would also agree on the launch of a forum to discuss car policies with private sector companies.

The new body is aimed at backing the car industry in South-East Asia through discussions on car-related policy planning and measures to promote technical transfers among companies.

The summit is also expected to touch on a blueprint on electronic commerce for an action plan on how to promote business electronically.

The idea mooted by Dr Mahathir was likely to start with the need to create the infrastructure for electronic commerce before a real framework could be introduced.

If the blueprint is adopted, the next move would be for the economies to amend their laws to enable cybermalls to come on websites within the next few years.

Abac is presenting a report to the leaders that governments should avoid introducing new laws when existing laws can be applied to lay the framework that would include cross-border consumer protection.

Saying that the private sector should lead in the development of

E-Commerce, Abac chairman Tan Sri Tajudin Ramli said the government should ensure the development of electronic infrastructure to provide economic and equitable access throughout the region.

Public-private partnership will be vital in realising the full benefits of E-Commerce, especially where trust and confidence need to be established in the area of electronic payment systems.

"One area in which E-Commerce may be promoted in government is through maximum usage of technology in government operations, such as on-line tax payment and procurement.

"In like manner, E-Commerce provides great opportunities for SMEs, mindful that the need for educational and training programmes will be paramount," Tajudin said.

There is much expected from the Kuala Lumpur summit.

As executive director of Apec secretariat Datuk Noor Adlan said, leaders through their clear and specific actions would reflect their common resolve in maintaining support and confidence of not only the relevance of Apec but that Apec was seen to be relevant.

"The immediate goal must necessarily be to return to the road of recovery and to build on growth through greater cohesion, coherence and strength in building our co-operation," Noor Adlan said.