

Move to make Asean a single investment zone

By HARPAJAN SINGH

MANILA: Asean countries will sign an agreement this week to launch the Asean Investment Area (AIA) programme, designed to promote the region as a single international foreign investment destination.

The AIA, arrived after years of hard work to address concerns over Asean's decreasing slice of world foreign direct investment, will provide a host of incentives to foreign companies which base their manufacturing plants in the region.

Designed to promote Asean's attractiveness in the wake of growing competition from China and other regional groupings and free trade areas, the AIA will also seek out wider partnerships for large-scale projects between foreign and Asean entrepreneurs.

The Asean economic ministers, in their meeting on Wednesday and Thursday, will also sign another protocol that will prohibit Asean members from banning imports from member states at

whims without valid reason and notification.

The notification procedure follows proposals mooted by International Trade and Industry Minister Datuk Seri Rafidah Aziz to check previous moves by some members to ban imports without warning which had affected the exporting companies severely.

The Asean senior economic officials started their deliberations last night with a working dinner to lay the groundwork for the ministers meeting, which included the setting up of an AIA council.

High on their agenda will be Prime Minister Datuk Seri Dr Mahathir Mohamad's proposal for regional countries to trade in their local currencies through the setting up of clearing houses in member states.

The senior officials are expected to add meat to the skeleton at this session before forwarding the proposal to the ministers for fine-tuning ahead of the December Asean Summit in Hanoi.

The officials will also tie up economic proposals

that are to be forwarded for approval to the leaders at the summit, particularly on efforts to ease the effects of the currency crisis on trade in the region.

International Trade and Industry Ministry secretary-general Tan Sri Asmat Kamaluddin, who heads the Malaysian delegation, is also expected to explain Malaysia's recent measures to prevent the slide of the ringgit and to stabilise its economic situation.

Apart from this, the officials are expected to deliberate on the need to go ahead with the Asean Free Trade Area (Afta) programme.

A Malaysian diplomat said the ministers would also have a special session with the Asean Chambers of Commerce and Industry (Asean-CCI) for inputs on the AIA and their economic proposals for the summit that will include the economic slowdown.

Philippine President Joseph Estrada will open the meeting on Wednesday.

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