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Japan should not link aid package with liberalisation

David Ong-Yeoh

MALAYSIA has asked Japan not to link its promised financial aid package to Asian countries with the outcome of its resistance to opening forestry and fisheries sectors at the Asia Pacific Economic Cooperation (Apec) summit in Kuala Lumpur.

However, Trade and Industry Minister Datuk Seri Rafidah Aziz emphasised with Japan's predicament in trying to resist joining the bandwagon, a road Malaysia has walked alone many times at previous Apec meetings.

Japan is fighting a rearguard action against overwhelming pressure from its Apec partners to come fully on board the Apec fast-track trade liberalisation scheme called the Early Voluntary Sectoral Liberalisation (EVSL), refusing to eliminate tariffs on two sectors slated for liberalisation under the scheme.

It has also bluntly hinted that support for its fight to keep the two sectors closed would greatly improve chances of getting Japan's financial aid package announced recently.

"It would be unfair to link any financial aid package by any country to what is being done in the Asia Pacific Economic Cooperation," Rafidah said yesterday.

Rafidah however pointed out that participation in the EVSL was, after all, voluntary, and that it was grossly unfair to say that Japan's intransigence over two sectors would wreck the Apec process when Mexico and Chile are not even in the scheme at all.

She said Japan will come on board the EVSL programme, but its difficulties in participating in all the proposed sectors should be accepted and not linked to its financial aid to the region.

Speaking after a tour of the Third Apec International Trade Fair yesterday, she said Japan's offer of aid is a separate issue, describing it as a goodwill gesture, and nothing to do with opening of markets.

"It is towards helping this part of the world to overcome the economic crisis and it is very specific in its approach. It's being negotiated separately and has nothing to do with the opening of markets at all. Please accept Japan's gesture in good faith."

Japan's refusal to liberalise its fisheries and forestry sectors is holding up a credible package of products for tariff liberalisation in Kuala Lumpur.

"It's just that we've asked Japan think about it. See how far they can actually assist in market opening. That's up to them. Apec is about people making offers to the best of their ability. Nobody can force anyone to open a market or sector against that country's ability to do so.

"It is wrong to ascribe an Apec meeting as wrecked because one country cannot participate. Here Japan is participating except for two sectors."

Rafidah said any EVSL package that comes out of the Kuala Lumpur meeting, or any other meeting, is one that reflects the participation of economies to offer what they can offer.

"That's it and we have to accept that. If some countries want to play a zero sum game, then we will never have any market openings in Apec."

She also said politics should be kept out of Apec, although there were those who wanted to politicise it.

"But if people really want to see Apec work, then do not involve politics because if one country digs up something political and links it to Apec so can others.

"I tell you, there are a lot of things that we can rake up that is political in nature in other economies that will totally wreck Apec, but that's not Apec."

Commenting on whether or not Canadian Prime Minister Jean Chretien would meet Prime Minister Datuk Seri Dr Mahathir Mohamad, Rafidah said it is a matter of tradition that the present Apec chairman meets the past chairman and the future chairman.

"That's all. It's not a bilateral dialogue with Canada at all. We have to make sure now with the Canadian High Commission whether the Prime Minister of Canada as the past chairman of Apec wants to follow the tradition of meeting the present chairman.

"If he thinks it is not necessary then for the first time it will happen like this and its OK. Its no skin off our back. Maybe he has nothing to report as outgoing chairman."

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