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APEC-NEWS-WRAPUP
KL MEETING KEEPS APEC ON TRACK

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KUALA LUMPUR, Nov 19 (Bernama) -- Despite the many negative comments on whether this year's Apec Leaders Summit can move forward the principle of greater economic co-operation, the leaders' determination to stay focused and specific have kept the regional grouping on track.

The various contentious issues that arose almost derailed the summit on a number of occasions but the pivotal stand taken by Malaysia, the chair of this year's annual gathering, saw agreement on many fronts.

Chief among them was the discussions on how to tackle short term capital flows and the financial crisis.

The United States' interference in Malaysia's domestic developments generated a lot of heat and talk on the sidelines during the Apec leaders meeting. But the leaders managed to maintain their focus and spent most of their time deliberating on the financial crisis and thinking of ways to regulate currency trading.

Earlier on, the ministerial meeting almost did not achieve anything until a compromise was reached to take the tariff reducing Early Voluntary Sectoral Liberalisation (EVSL) into the World Trade Organisation (WTO).

Although it was not mentioned in the leaders' declaration at the end of the Apec (Asia Pacific Economic Cooperation) meeting, Prime Minister Datuk Seri Dr Mahathir Mohamad said that G-22, a grouping of finance ministers, would be the appropriate forum to look into regulating currency trading.

G-22, formed last year to tackle the financial crisis, is made up of the G-7 industrialised countries and developing countries such as Malaysia, Thailand, Indonesia, China, India and South Africa.

Dr Mahathir told a press conference on the final day of the meeting yesterday that Apec is an organisation geared for action from within but that it could not decide for the rest of the world.

He said Apec leaders admitted that the currency trading issue was urgent.

"Urgent is one thing but getting things moving in the international community is another. The international community is ponderous and it does not move fast enough," said Dr Mahathir.

"I think the way we moved was considered very speedy in comparison to the normal speed of international decision-making."

The Malaysian prime minister said Apec is still relevant and the Kuala Lumpur meeting had been successful but noted that the results for future success are yet to be seen.

The sixth APEC leaders' meeting was held on Nov 17 and 18 and the 10th ministerial meeting was held on Nov 14 and 15. New Zealand will host the 1999 ministerial and leaders meetings.

The ministerial meeting before the leaders' meeting was no less dramatic with Japan and the US locking horns over the EVSL.

The EVSL, first mooted in the Vancouver meeting last year, has 15 sectors earmarked for tariff reductions to facilitate trade. Nine of which were identified for a fast track programme to be implemented in 1999.

However, Japan was reluctant to open up in two of the nine sectors identified, namely fisheries and forest products.

The US declined a proposed package of going ahead with seven sectors and leaving out the two.

In the end, the ministers decided that all 16 member economies would go ahead in implementing the EVSL at their own pace as well as taking the nine

sectors intact into the WTO process.

This was a compromise at which nobody lost, said Malaysian International Trade and Industry Minister Datuk Seri Rafidah Aziz while other ministers agreed that it was better than having nothing at all.

Under the EVSL, Mexico and Chile had opted out from the start while three new members - Peru, Russia and Vietnam - inducted into Apec at the Kuala Lumpur meeting will come on board at a later stage.

On the relevance of Apec, Rafidah noted that the EVSL was the first concrete programme that the grouping had come up with since its formation 1989.

"I was suprised when the EVSL was proposed and then adopted last year bearing in mind Apec decision making is voluntary and consensus-based," she said.

"And, here we are, agreeing to negotiate on tariff reductions."

Taking the EVSL into the WTO, the world trade negotiating body, will lead to broader participation, said Rafidah.

Broader participation is what the US wanted, said US Trade Representative Charlene Barshefsky, as it would lead to the building of a critical mass of countries participating in the programme. -- BERNAMA

THG SHY