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New issues suddenly crop up as Apec gets down to business

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AFTER protracted talks on tariff cuts had at one stage threatened to turn Apec in Kuala Lumpur into a meeting on the Early Voluntary Sectoral Liberalisation (EVSL), new issues suddenly cropped up yesterday.

US President Bill Clinton did not check in along with other leaders, which in a way, lent credence to murmurs over the past few days that he might stay home over the Iraqi situation.

As the world gets constant updates on the Kuala Lumpur Apec from the huge entourage of journalists here, on the sidelines "spins" had been liberally constructed over Clinton's absence.

They ranged from the question on the American leadership at the meeting over the next two days, and whether this was a setback, to even suggestions as to whether other economies would seize this opportunity to push through their demands.

Ministers, and a few paces behind them, the officials, were not flustered, saying the course of the meeting would not be harmed by Clinton's absence. Some did express regret that he would not be attending.

In an interview, Canadian Trade Minister Sergio Marchi said Clinton would be missed. And that although the American position might not be expressed in the way the American President would have, Vice-President Al Gore who is reportedly representing Clinton, would still put on the table his country's stand.

And, will Japan somehow exert its authority now? "I don't think it will be competitiveness between US and Japan .. the US is unquestionably the biggest economic power," said Marchi.

As things started to happen, the Iraqi situation itself drew reactions from Ministers as did the latest developments in Indonesia.

The Iraqi issue was one of the questions posed to the Ministers at a joint Press conference which lasted 75 minutes, and featured, among others, an "exchange" involving International Trade and Industry Minister Datuk Seri Rafidah Aziz and US Secretary of State Madeleine Albright. A question to Albright on whether she was planning to meet the wife of Datuk Seri Anwar Ibrahim, started it.

The much-publicised EVSL issue ended with Ministers agreeing that Apec economies can implement the tariff commitments immediately on a voluntary basis and that the entire package be submitted to the World Trade Organisation.

Japan, whose refusal to cut tariffs on the politically-sensitive sectors of forestry and fisheries had triggered the intense negotiations, had argued that WTO and not Apec was the forum for trade negotiations.

Reacting to the latest development, on whether it came as a victory to Japan, a spokeswoman said: "Victory is not a word the Japanese use easily."

The full transcript of the media briefing on Saturday by a spokeswoman for Japan's Foreign Minister Masahiko Komura on his bilateral meeting with US Trade Representative Charlene Barshefsky, provided an interesting insight.

Apparently, the meeting started with Barshefsky's opening remarks, with the spokeswoman, Mikie Kiyoi, reporting: "From beginning to the end, she (Barshefsky) only talked about EVSL."

And of how Barshefsky reportedly went on to say how Japan "is actively discouraging countries from liberalising".

Kiyoi said: "Mr Komura calmly replied that Japan's position is clear: we are complying with the principle of voluntarism."

Observers were unable late yesterday, whether to describe the final decision on EVSL as a "setback" or just another option which the Ministers had agreed upon.

From the outset, however, first officials and then the Ministers, had let it be known that what appeared to be a lack of progress on the EVSL, did not constitute a setback.

The agreement on EVSL reached in Vancouver last year was in itself a progress, they have pointed out earnestly.

And, amid intense media coverage on the main happenings, the 1998 Economic Outlook was released yesterday. An official, Dan Churiak, said that while economic growth in Apec economies dropped to 1.5 from 3.5 per cent, the expectations were that this downturn would bottom out next year.

The economic and financial crisis is expected to become even more prominent when the leaders meet. "It is on top of their agenda," a Minister said.

The issue may already feature when many of these leaders meet Prime Minister Datuk Seri Dr Mahathir Mohamad today as customary of leaders at the start of Apec meetings.

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