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Positive signs beginning to replace the initial gloom

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PUTTING behind them the rather depressing pre-Kuala Lumpur media reports like "An Apec summit no one wants", leaders of Asia-Pacific Economic Co-operation nations yesterday huddled in a flurry of bilateral talks.

Signs surfaced indicating the meeting might well take a course different from what critics had expected, with the urgent trade and economic issues prominent in their one-to-one discussions.

This came after the less than satisfactory build-up like alleged "feet-dragging" in trade liberalisation; the move by US President Bill Clinton and Canadian Prime Minister Jean Chretien not to have bilateral talks with Prime Minister Datuk Seri Dr Mahathir Mohamad; talk of a possible boycott; and finally how the decision on the Early Voluntary Sectoral Liberalisation had been interpreted.

Apart from a furore sparked by US Vice-President Al Gore's support of reformasi, everyone, including Gore, seemed to be focusing on the economic and financial crisis.

First, the leaders who held talks with Dr Mahathir yesterday were briefed on the need to regulate currency trading.

Then, there were indications that Apec in Kuala Lumpur would produce some meat like the announcement last night by Gore of a joint US-Japan initiative to help nations secure financing to revive banking systems and remove obstacles to restructuring.

Somehow events unfolded late yesterday. At about the same time as the Apec-Abac dinner, there was a joint US-Japan briefing on their initiative to help Asia.

And, although Gore's speech contained some fireworks, he made it clear: "This (financial) crisis is clearly not just about weaknesses in particular nations: it also demands that we strengthen and improve the operations of the entire international financial system."

This came on a day which also featured what could be interpreted as conciliatory gestures: only one leader raised the issue of Datuk Seri Anwar Ibrahim in bilateral talks with Dr Mahathir.

Prime Minister John Howard expressed Australia's concern on the matter, but was quick to tell reporters afterwards that Malaysia-Australia ties were "very important".

"Dr Mahathir and I had a very frank and courteous discussion. We always have. It is a very important relationship," Howard said.

Philippine President Joseph Estrada, who had expressed disappointment over the treatment of Anwar in the past, did not bring up the issue when meeting Dr Mahathir.

Briefing the Press, Philippine Foreign Secretary Domingo Siazon said: "This (issue) was not raised. Not at all." He explained how the remarks by Estrada concerning Anwar had to be seen in the correct context, that Estrada's views were his own and came at the time of the "black eye" incident.

"After that," Siazon said, "he (Anwar) was released from the ISA (Internal Security Act), which was an improvement. Secondly, the Prime Minister has indicated that an investigation had been initiated."

Siazon also spoke of greater transparency in the Anwar trial for which the Malaysian Government has also allowed foreign observers to attend. "I do know that three Philippine congressmen came here against my advice on their personal capacity and they were allowed to attend the trial," Siazon

added.

From a positive standpoint, the analysis that Apec had suffered a setback by Ministers sending the tariff cuts' package to the World Trade Organisation was highly debatable.

"We have done an exercise of saving other people's faces," said International Trade and Industry Minister Datuk Seri Rafidah Aziz concerning the EVSL.

She spoke of how the US too had legal problems about the need to get "critical mass" support - its trading partners like the European Union - to participate in the scheme.

Rafidah said those who dismissed the final decision as a "failure" had got it all wrong, as all 16 economies which had agreed to "come on board" concerning the EVSL had submitted their timetables of tariff cuts, and they could go ahead with the package.

Some believed they could begin cutting tariffs on certain sectors from as early as Jan 1.

"Let's see how many economies will cut the tariffs or all this talk about liberalisation is mere rhetoric," Rafidah said. She added: "The US has legal problems, Japan has political problems, other countries have economic problems."

In Apec, it is all about compromising, Rafidah said, while Howard said though Australia would have preferred the Vancouver accord to be adhered to, the decision should not be despaired.

This morning, the leaders will continue with their series of bilateral talks followed by the formal meeting in the afternoon. How will the Kuala Lumpur Apec end?

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