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JETRO-EAEC  
JETRO CHIEF ON MOVING EAEC PROCESS FORWARD

By: Yong Soo Heong

KUALA LUMPUR, Sept 8 (Bernama) -- A top Japanese official, in offering his view on how to move the East Asia Economic Caucus (EAEC) process forward, has suggested that the proposed grouping take on another name or form to avoid possible embarrassment to certain quarters.

Noboru Hatakeyama, chairman and chief executive officer of the Japan External Trade Organisation (Jetro), speaking in his personal capacity, said that his suggestion stemmed from his belief that it would be not good to stick to the original idea because some countries might be embarrassed.

In a recent interview with Bernama, he said that such embarrassment was not necessarily confined to Japan but some other countries as well.

Although Hatakeyama, a strong proponent of the EAEC, did not elaborate on the reasons behind the possible embarrassment, it is believed that they pertained to the earlier stance of certain countries which had merely paid lip service to the proposal. On the other hand, it has now been proven that such a grouping was necessary in light of the recent financial turmoil in the region.

The lukewarm response of countries like Japan and South Korea was somewhat linked to strong opposition from certain countries which perceived the EAEC as a threat to their economic well-being.

Prime Minister Datuk Seri Dr Mahathir Mohamad had mooted the EAEC idea several years ago to advance East Asia's economic interests but response from certain major trading nations has been lukewarm because of arm-twisting tactics by those who oppose the proposal vehemently.

But Dr Mahathir, in a move to get the proposal off the ground, said in Beijing last month that there should be a regional grouping to represent the interests of East Asian countries, either through the EAEC or "any East Asian body with a different name."

The prime minister had said that if the EAEC had been in place when the financial crisis hit the region, the affected countries could have sought aid from the proposed body rather than the International Monetary Fund (IMF) which exacted a lot of stringent conditions.

Dr Mahathir had also asked Japan, one of the leading economic powers, to have a re-think of the EAEC and it should not be led into believing that the caucus would be a threat to countries outside the region.

Hatakeyama, a former ministry of international trade and industry official in Japan who was here last week, said the EAEC has already started on a de facto basis following the constant dialogue through various fora between the economic ministers of Asean and the East Asian countries of Japan, South Korea and China.

He said as long as an East Asian grouping existed to discuss issues of common interest, it would still achieve the same purpose as the EAEC had set out to be.

Hatakeyama said greater East Asian cohesion could be achieved if the Asean Free Trade Area (AFTA), to be implemented by 2003, could be expanded to include other East Asian countries like Japan and South Korea or even China.

He said this idea might take many years to materialise but it was worth considering.

Last week, International Trade and Industry Minister Datuk Seri Rafidah Aziz said the concept of AFTA could be expanded into an East Asia Free Trade Area (EAFTA) if there were to be an established and well-structured

East Asian grouping.

Such an idea, she said was not against the World Trade Organisation (WTO) as it would allow East Asian countries to have more liberal flows of goods and services within the region.

Hatakeyama, when asked how would Japan react to China fast developing as an economic power in the new millennium, replied that his country took the view that economic prosperity was not only good for China but also its neighbours.

Embracing the "prosper thy neighbour" theory of Dr Mahathir, he said Japan could co-exist peacefully with China, adding that a China in economic disarray would create instability in the region.

As for developments in North Korea, he said statistics showed that its economy was in recession and that it should not pretend that things were all right.

Asked whether Japan was prepared to help in revitalising the North Korean economy, he said his country would be more than willing to help if invited.

Referring to a suggestion by Dr Mahathir that Japanese businessmen teamed up with their Malaysian counterparts for joint ventures in third countries, Hatakeyama said the idea merited serious consideration because of the strong investment potential in certain countries. -- BERNAMA

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