

15/09/1999

Malaysia wins a point at Apec summit where business prevailed

Baidura Ahmad

IT rained on Apec's party in Auckland this year, what with the unpredictable spring weather synonymous with this New Zealand city.

The 21 leaders braved windy rain for their final leg of discussions in the two-day 11th Apec Economic Leaders Meeting which concluded yesterday.

Just days before, the troubled East Timor issue threatened to overshadow the annual meet which is held to discuss trade and economic matters; not political or human rights issues.

The Press also wanted to highlight the bilateral between US President Bill Clinton and his China counterpart President Jiang Zemin who were meeting for the first time since the strain in the US-China relationship as a result of the US bombing of China's embassy in Belgrade in May.

Glad to report that the bad weather, the demonstrators, and even showman Bill, who hogged the headlines in Auckland with every little thing that he did including what he bought when he went shopping downtown, failed to dampen the spirit of Apec's mantra "Apec means business."

Malaysia, if it wants, can claim a small victory.

The leaders, including from super powerhouses US and Japan, agreed to develop new international banking standards to regulate the flows of highly leveraged institutions (HLIs), the likes of hedge funds and currency traders.

The leaders jointly instructed their Finance Ministers to come up with an international standard of banking practice which would allow greater transparency and accountability among banks to reduce high-risk lending, especially for speculative purposes.

Although no deadline has been set for the Finance Ministers, the instruction is seen as a step in the right direction, particularly for Malaysia which saw its proposal for some form of regulation shot down at the two previous meetings in Vancouver and Kuala Lumpur.

Said Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi, who headed Malaysia's delegation:

"Malaysia has been at the forefront of efforts to reform the international financial architecture, and I was happy to see that leaders of the Apec economies took the matter up spontaneously when the chair introduced the subject for discussion."

The sceptics among us will see no success here because yet again, no one has come up with a definite mechanism to regulate these activities without interfering with free market forces.

It is not for nothing that they say Apec stands for "Ageing Politicians Enjoying Cocktails." The recent crisis showed the ineffectiveness of Apec in coming to the rescue of its affected members.

What did Apec do to help them recover, the non-believers asked. In fact, there was fear that Apec had been derailed from its course because time and again someone somewhere wanted to politicise the meeting.

Yes, the crisis severely tested Apec.

Remember last year's megaphone diplomacy from the man who wanted to be President, when he lectured the host on democracy and reformasi?

But Apec optimists refused to be pushed by these cynics.

The fact that the leaders - some of whom scoffed at Prime Minister Datuk Seri Dr Mahathir Mohamad's proposal when he first brought the idea of some form of intervention soon after the Asian financial crisis in late '97 - now accept his view, is a progress.

Apec groups political leaders and CEOs from 21 nations that together account for more than half of the world's economic output and 42 per cent of its population.

Apec includes economic powerhouses such as the US to poor Papua New Guinea.

It is also the only forum of its kind in which China and Taiwan sit down together.

The one factor that Apec members have in common is that part of their land mass borders the Pacific Rim.

Host Prime Minister Jenny Shipley, who is one of the optimists, said it was one forum where key leaders had genuinely engaged in dialogue that was uncluttered and not constantly directed by officials.

We in Malaysia want to believe that as well.

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