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Apec's brave new world agenda complicated by failure of WTO

Ashraf Abdullah

FACED with the herculean task of putting the Asia-Pacific Economic Co-operation on a firm footing for the new millennium, senior officials from 21 economies begin their deliberations today.

Like most international conferences, the officials will set the tone for the Apec Ministerial meeting on Nov 12 and 13 followed by the leaders summit on Nov 15 and 16.

Tiny but oil-rich Brunei which has taken over the annual rotating chairmanship of Apec, seems ready to shoulder the responsibility of having to kickstart the group's long-term goal of free trade and investment across the Pacific Rim by 2020.

The task has been made difficult with the failure of the World Trade Organisation last December to launch a new round of trade negotiations.

There was hope among some members of Apec on the new round, where they wanted to market to the world a model fast track liberalisation plan covering nine key sectors, including forestry and fishing, worth more than US\$1.5 trillion (RM5.7 trillion).

But because of stiff opposition, particularly from Japan Apec, which operates by consensus, failed to adopt the accelerated trade liberalisation.

Apec had also postponed debate on eliminating tariffs under the fast track plan until last December's Seattle WTO ministerial talks, where it had hoped to obtain provisional agreement.

Under the agreement, the plan has to be implemented at once but not to be binding until the WTO negotiating round is completed.

But due to many disputes, the new WTO round could not be launched.

The 2010 deadline for developed countries and 2020 for developing nations to achieve trade liberalisation has also been hampered by mushrooming regionalism and free trade arrangements.

Singapore has signed a free trade agreement with New Zealand, and is negotiating with other partners for similar arrangements.

The North American Free Trade Agreement (Nafta) and the European Union continue to practice protectionism, especially in trade sectors like fisheries and agriculture which means a lot to developing economies.

Apec economies account for 60 per cent of global economic output and some 46 per cent of world trade. Thus, matters relating to trade will be high on the agenda at this meeting.

The meeting, the last for United States President Bill Clinton and the first for his Russian counterpart Vladimir Putin, will also deliberate on e-commerce and the high oil prices which may put the brakes on Asian economies trying to regain economic momentum after the 1997 financial crisis. But this is a topic which host Brunei, itself a oil-reliant economy, may want to avoid.

The issue of oil prices will be a tricky subject as the forum has to avoid upsetting major oil exporters such as Russia, Mexico and Indonesia who have gained from the current price escalation.

It is a potentially divisive issue which will see Apec nudge rather than push for a stable pricing regime.

The meeting will also seek a solution to narrow the digital divide between the North and South.

Developing economies within Apec are seeking help from advanced countries to boost the information technology skills of their workforce.

An agreement on how the developed economies can help boost the IT sector in developing countries will be one area which will be discussed.

Leaders are also expected to pledge that every person in the region should have access to the Internet by the year 2010.

The group plans to double or even triple the number of people in the region who have Internet access by 2005.

One focus of the summit will be how to strengthen the economic systems of each Apec member to cope with the IT revolution.

To narrow the IT divide between the richer countries and the poorer ones, the leaders will consider setting up local Internet centres, even in thinly populated areas of developing countries, to expand the number of people in the region with access to the Internet.

This will be the first time that IT issues have been placed on the agenda for Apec.

But plagued by suspicion on one side and never-ending sense of imperialism on the other, delegates worry that fears of hidden agenda may hamper the decision-making process.

Prime Minister Datuk Seri Dr Mahathir Mohamad, entrusted by the Brunei chairmanship to speak for Asian members, had said that globalisation and the danger that it poses would be raised at the summit.

He had said that "developed countries consider globalisation as something good, but it may not be good for us."

Dr Mahathir has frequently expressed fears that unregulated globalisation could usher in a new era of economic colonisation by the West.

Besides Dr Mahathir, Clinton and Putin, the other leaders who will be attending the meeting will include Chinese President Jiang Zemin and Japanese Prime Minister Yoshiro Mori

As leaders from the 21 member economies will gather in Bandar Seri Begawan, the host Government has taken measures to ensure that the meeting ends incident free.

The biggest security mission ever mounted in Brunei went into operation on Wednesday.

Nearly 4,000 police and soldiers, including a specially formed squad of women riot police, have been marshalled to protect the week-long forum.

Gatherings of world leaders have attracted environmentalists, rights activists and opponents of globalisation, particularly in the past year since the WTO talks in Seattle.

Apec groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, United States and Vietnam.

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