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EAEC-MALAYSIA

ECONOMIC CRISIS MAY PUSH EAEC TO EARLY REALISATION, SAYS EXPERT

KUALA LUMPUR, Jan 5 (Bernama) -- The Asian economic crisis has prompted Asian countries to seek solutions among themselves and this could lead to the realisation of the Malaysia-mooted East Asia Economic Caucus (EAEC), an expert on international affairs said.

Dr Leszek Buszynski from the International University of Japan, said he foresaw closer economic interaction among East Asian economies.

"This may result in what Prime Minister Datuk Seri Dr Mahathir Mohamad has been pushing for all this while.

"But it may not entirely be the kind of EAEC that Dr Mahathir has in mind. It has to be the one that gets along with the United States," the dean of the Graduate School of International Relations, said yesterday.

He was here to promote the university to the Malaysian Government.

Asked how soon EAEC could become a reality, Buszynski said it could be in two or three years' time.

Dr Mahathir initiated the EAEC idea which had now evolved into an Asean proposal.

However, the US under the previous administration opposed the caucus, fearing that its presence would undermine Washington's position in the international fora while Japan was non-committal.

EAEC's potential members are the 10 Asean-member countries as well as Japan, South Korea and China.

Buszynski, who had taught in England, Australia and Singapore prior to his present posting, said the economic crisis had a major impact on political and international relations in Asia.

It also to a certain extent reduced US' traditional influence in the region.

"Asian leaders were not comfortable with US' insistence on free market as most Asian economies could not accommodate. US expects major changes in Asia but the changes are beyond the ability of East Asian economies," he said.

He said the East Asian countries were seeking solace among themselves which was noticeable during the crisis which saw China enhancing its position in the region.

Buszynski said China held to its promise not to devalue its Yuan and this strengthened the view that East Asian countries should seek solution among themselves to problems related to the financial crisis.

"They are looking at the Look East policy, finding solutions within themselves. This was evident when leaders at the annual Asean Informal Summit in Manila last November discussed mechanisms to address the problems," he said.

The crisis also improved Japan-South Korea relations as both countries were talking more about free trade agreements now than before, he said.

Buszynski said the economic crisis also had major impact among Asean countries mainly on political situations.

"Notably, the end of President Suharto's rule in Indonesia and bringing democracy to the country," he said.

At the same time, predictions that Malaysia's selected capital control measures would damage the country and famine and civil war breaking out in Indonesia did not materialise.

"The world does not collapse because of Malaysia's capital controls. There is no evidence to show it has damaging effects but Malaysia cannot

maintain it for long. It should be eventually lifted," he added.-- BERNAMA
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