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Keeping global economy afloat remains Apec's goal

Hardev Kaur in Shanghai

THE state of the world economy and the need to deal with terrorism are high on the agenda of Apec leaders meeting in Shanghai.

The world economy is deteriorating very quickly while international terrorism is rearing its ugly head in numerous ways around the globe.

While everyone agrees on the need to deal with terrorism and terrorists, not everyone is convinced that military attack is the best way.

In recent days the rising number of anthrax cases in the US has given rise to even greater fear and urgency to deal with this terror.

President George W. Bush, who is making his first trip abroad since the attacks, said the Chinese are side by side with the American people as they fight this evil force.

The Chinese Foreign Minister Tang Jiaxuan argued that the fight against terrorism was a struggle between evil versus good, the civilised and barbaric, rather than between nations and religions.

Malaysia, which has condemned the attacks and opposes all forms of terrorism, has called for an international meeting on terrorism.

Leaders, including Bush, are seeking Prime Minister Datuk Seri Dr Mahathir Mohamad's views.

British Prime Minister Tony Blair, the strongest supporter of the US-led military attacks on Afghanistan, had also telephoned Dr Mahathir for his views.

Dr Mahathir is increasingly being viewed as a moderate Muslim leader whose views are important in dealing with the current crisis. Many leaders are eagerly waiting to hear the Prime Minister first hand.

Among those meeting Dr Mahathir today will be Bush and his Chinese host President Jiang Zemin.

Malaysia on its part has successfully dealt with communism and terrorists at home, and this without resorting to military attacks on another country.

It has taken preventive measures that are being emulated by other countries.

Even the Internal Security Act (ISA), which is often criticised, is being copied for preventive detention under the current war situation just as self-censorship, restraint and control of the media is being promoted in the US.

Malaysia is not only a progressive and moderate Islamic state but it is also just one of two Islamic countries (the other being Turkey), according to Anatole Lieven, a senior associate of the Carnegie Endowment for International Peace, that has progressed to enter the developed world.

The Apec Ministers, foreign and trade, as well as business leaders who met ahead of the leaders have stressed the need to keep the wheels of business and the world economy turning.

The Chief Executive Officers spoke of the need to explore development strategies, seek better mutual understanding and joint efforts to build the framework of co-operation.

This is particularly critical as prospects for the global and regional economy have been dampened and consumer confidence badly affected.

In this context many have stressed the importance of achieving the Bogor goals, which called for trade liberalisation for developed countries by the year 2010 and by 2020 for developing members.

The Ministers also called for the launch of a new round of world trade

talks to re-energise the global trading system.

Malaysia maintains there are adequate items that can enable the launch of a new round to be undertaken, as these issues seem to be more amenable to a consensus.

These include the implementation issues, agriculture, services and even the new issue of industrial tariff.

But due to the differing views and positions on the new and contentious issues such as competition policy, investment rules, environment and government procurement, Malaysia calls for flexibility and multi-phased negotiations.

Canada's Minister of International Trade, Pierre S. Pettigrew, speaking at the CEO Summit said growth is important in global trade and economy.

He argued that the gap between the rich and poor can and should be narrowed and this is better done in a growing economy and with liberalised world trade. Thus, he argues, the new round of world trade negotiations should be launched at the Ministerial meeting next month.

But the war on terror and the US-led military action in Afghanistan has caused some concern about the venue for the next WTO Ministerial meeting.

The Qatari Government, which has spent US\$30 million (RM114 million) in preparing for the meeting, is hoping that it will be held in Doha. However, a draft of the Apec Ministerial declaration while endorsing a new round of trade talks next month was pointedly silent on the venue. And Singapore has already been sounded out as host for the talks if need be.

The support of the 21 Apec economies is important. They account for 43.85 per cent of world trade and have a combined Gross Domestic Product of US\$18 trillion. The members are: Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Taiwan, Thailand, US and Vietnam.

While the rest of the world's major and developed economies are slowing down and others are on the brink of recession, China, this year's host for the Apec leaders' meeting, is the star among them all. Its economic growth is forecast at a robust 7.6 per cent this year and 7.8 per cent next year.

All international and multilateral organisations have scaled down the growth figures for the world economy. The latest to do so is the OECD. It forecast the world economy to grow at just one per cent this year and 1.2 per cent next year.

With the cloudy world economic outlook, the aftermath of the Sept 11 attacks and the subsequent developments that will have longer-term impact, the leaders, who meet in China's vibrant showpiece city, will stress the need to restore confidence and the importance of co-operation among Apec economies to keep afloat regional and global economies.