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## Malaysia vindicated at Apec

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FROM Malaysia's perspective this year's Asia Pacific Economic Forum was more productive and beneficial. For the first time the meeting took into account the concerns and views of its poorer and developing members including those of the "recalcitrant".

Prime Minister Datuk Seri Dr Mahathir Mohamad, who was called "a recalcitrant" for not attending the first informal leaders meeting in 1993 on Blake Island near Seattle declared "I am much happier than I have ever been" with the Forum.

Participants were prepared to listen to Malaysia's views on international issues, including terrorism, globalisation and regional co-operation. While Dr Mahathir had been severely criticised for many of his policies in the past these are now accepted as necessary to protect and safeguard domestic economies of developed and developing countries.

Some of the measures that Malaysia had proposed and implemented at home are infact reflected in the final declaration of the Apec leaders meeting in Shanghai last week.

Among them the leaders recognised the need for regional co-operation which can be "very useful in complementing efforts by these (international financial institutions) to promote financial stability".

Malaysia's proposal for regional economic co-operation and especially the East Asian Economic Caucus and the Japanese proposal for the Asian Monetary Fund (AMF) to complement the work of the International Monetary Fund (IMF) were shot down at the height of the Asian financial crisis in 1997-1998.

But the consensus is now building up on the need for these initiatives.

The name for the regional co-operation may not be what was originally proposed but the principle of such co-operation is now fully accepted and endorsed.

The Apec leaders echoed Dr Mahathir's views on the inequities of globalisation. In the declaration they said "opportunities arising from these (globalisation) are not sufficiently shared among and even within economies".

In fact the Prime Minister had told Apec business leaders earlier that there is no doubt who the real winners of globalisation are: "the very rich and the very empowered (and therefore the very immediately competitive)".

The biggest losers are: "the very poor and the very disempowered (those who haven't a ghost of a chance of competing right now with the best, the rightest, the most powerful, the most endowed in the world)".

This is something that even some within the IMF now acknowledge. Eduardo Aninat, IMF's Deputy Managing Director, writing in the OECD Observer notes that the current wave of globalisation is making it harder to ensure that people all over the world benefit. "That is why we see an uneasiness... about some of the globalisation changes".

There are changes within Apec and in the attitude of its leaders. This time the members were not overly concerned with market opening measures.

For the first time the meeting appreciated the different levels of development in member economies and the need for poorer countries to be given more time to adjust to the external environment.

Now there is a feeling that developing member economies should take time opening their markets. Previously, the developed countries were only

concerned with opening markets in developing countries to "let them (developed countries) in". Dr Mahathir said "at this meeting there was no talk of market opening measures and discussion on the global economy was in passing".

Since it was the first meeting of leaders after the September 11 attacks in the US, the focus was on "terrorism" and "terrorists". They "unequivocally condemned" the terrorist attacks but were not unanimous on the military action.

Even so, Dr Mahathir said Malaysia's stand not to support the US-led action in Afghanistan has "not in any way been an obstruction to our reaching an agreement".

The leader of the world's most powerful nation, President George W. Bush President of the US, had a "good meeting" with Dr Mahathir. The two leaders, who met for the first time since Bush took office in January this year, set the tone for future bilateral relations.

Bush not only "sought advice" from Dr Mahathir but, according to Ernie Bower, president of the US-Asean business council, the American President was "reaching out to the Prime Minister as a senior and most experienced leader in Southeast Asia, as a senior statesman of a Muslim country."

Malaysia as a moderate Islamic state and Dr Mahathir as a progressive and moderate Muslim leader has an important role to play in ensuring a better understanding of Islam and of Muslims.

The need is even more critical in the aftermath of the attacks on New York's World Trade Center and the Pentagon in Washington DC. Malaysia is the only one of two Islamic countries that has progressed to enter the "developed world".

With the global economy being dealt a body blow by the attacks, the leaders pledged to adopt "appropriate policies and measures to increase economic growth" and put their economies back on the growth track.

The actions taken will have an impact on the domestic, regional and global economies. The combined Gross Domestic Product of the 21 member economies is over US\$18 trillion (RM68.4 trillion) and they account for 43.85 per cent of global trade.

China's President Jiang Zemin said "If all countries and regions pull together in times of trouble... it will usher in a new phase of development."

This "new phase" and attitude of Apec leaders is reflected in the Shanghai Accord. Issued as an appendix to the leaders' declaration it sets out a new road map for reaching Apec's non-binding goal of free trade and investment by 2010 for developed economies and 2020 for the poorer members.

Key to the Accord is the adoption of a "pathfinder approach" that gives the green light to countries to forge ahead with market opening measures even if others members of Apec are not ready to follow.

Malaysia had been the lone voice in Bogor stressing the importance of taking the differing levels of development into account in pushing the "market opening" measures.

In Shanghai the "principle" was accepted without debate. The Shanghai Accord said the new strategy is needed to reflect the rapid changes in the world economy since the goals were first agreed at an Apec summit in Bogor, Indonesia, in 1994.

It added: "Globalisation and the New Economy have transformed the global and regional economy significantly since the Bogor Goals, bringing forward extraordinary opportunities as well as challenges. Apec's vision needs to reflect these changes".

Apec which groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru,

Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, the US and Vietnam was first mooted by Australia in 1989.

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