

17/10/2001

US to unveil perks for Asean

Cindy Yeap

THE US is expected to announce incentives to stimulate the economies of Association of South-East Asian Nations (Asean) members, collectively its third biggest trading partner, before the end of the year, a US business group official said.

US-Asean Business Council president Ernest Z. Bower said the US Government is putting together a non-monetary package to boost its trade with Asean members.

"We understand the US administration is putting together very strong packages to support Asean members.

"It will not be the same as the US\$30 billion (US\$1 = RM3.80) Miyazawa Initiative.

"It will be more of a support package in terms of business cooperation to stimulate growth," Bower told Business Times in Kuala Lumpur yesterday.

He said details of the package should be known after the US-Asean dialogue in Washington, scheduled for the end of November.

The Miyazawa Initiative was announced by former Japanese finance minister Kiichi Miyazawa in October 1998 to aid the economic recovery of Asian countries affected by the currency crisis.

Recipients of the Miyazawa Initiative are Malaysia, Indonesia, South Korea, Thailand and the Philippines.

Bower said talks on the matter may be pursued at a meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and US President George W. Bush, who will be attending the Asia Pacific Economic Cooperation (Apec) ministerial and leaders meeting in Shanghai, China, this weekend.

This would be followed by a separate bilateral talks between Bush and Philippine President Gloria Macapagal Arroyo on November 20, and Thai Prime Minister Thaksin Shinawatra on November 29.

"We believe the bilateral talks would include discussions on economic framework collaborations," he said when asked to comment on efforts put in by the US to pump-prime sluggish economic performance in the Pacific Rim.

Bush held a bilateral meeting with Indonesian President Megawati Sukarnoputri in Washington on September 18.

Bower noted that Asean economies are heavily dependent on trade and the full impact of the September 11 tragedy is still unknown.

"Asean trade is on average 134 per cent of gross domestic product (GDP), which is relatively high compared to between 10 and 15 per cent in the US, Japan and Europe."

Bower said US business leaders are still committed to expand their trade and investment ties with the region and are willing to work together with their counterparts in the region to help increase their competitiveness with other markets like China and India.

"US investments in Malaysia and Singapore combined are still three times the size that of China."

"Asean as a whole is home to more than 500 million people. The grouping's collective GDP of US\$750 billion makes it as attractive as China or India. Asean is important.

"It is the third largest overseas market for US exports, after Japan and the European Union, and two-way Asean-US trade reached a record US\$135 billion in 2000," he said.

In the first six months of the year, American exports to Asean reached US\$23.1 billion, up 7 per cent from the same period last year.

Imports from the region, at US\$38.3 billion, were down some 4 per cent from the corresponding period last year.

US investments in the region at the end of last year stood at slightly under US\$52 billion, roughly five times the size of American investments in China.

(END)