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ASEAN SOM-Bond

JAPAN EXPECTED TO SUPPORT CREATION OF ASIA BOND MARKET IN SUMMIT

NUSA DUA (Bali) Oct 4 (Bernama) -- Japan is expected to give its official support on the proposed Asia Bond Market during the 9th Association of Southeast Asian Nations (ASEAN) Summit here beginning Oct 7.

Chairman of the ASEAN+3 (Japan, China and South Korea) Senior Officers Meeting (SOM) held prior to the summit, Makarim Wibisono, said that Japan officials had expressed this during their meeting today.

"Japan sees that there is a need for ASEAN and Japan to mobilise the Asian savings into a real capital accumulation mechanism," he said at a media briefing to summarise the outcome of the joint and separate meetings between ASEAN SOM and its dialogue partners, and also India.

The Asia Bond Market, mooted by Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad about two years ago, is to accumulate capital which can be utilised for Asian countries which relied on American and European bond markets as sources of development funds.

Makarim said Japan Premier Junichiro Koizumi would bring up the subject and other issues like the house arrest of Myanmar's pro-democracy leader Aung San Suu Kyi, Aceh, Mindanao and North Korean conflicts, during his discussion with ASEAN leaders at the two-day summit.

Makarim, who is also Indonesia's Director General of Asia Pacific and South African Affairs at the Foreign Ministry, said the ASEAN SOM-Japan meeting also noted that Japan would broach the subject of cooperation in the field of Information and Communication Technology (ICT) and the Asian broadband network.

With regard to East Asian integration, he said there was discussion on the possibility of creating an East Asian Free Trade Agreement.

The subject was tabled by a Chinese senior official who mentioned that there was merit in the Asean+3 free trade area which would lead to potential countries enjoying the vibrant market in the years ahead, he said.

ASEAN officials said plans by China and Southeast Asia to set up the world's largest free trade area would not only benefit themselves but also foreign investors, he stated.

The proposed free trade area will combine the population of China and ASEAN into a giant market of 1.7 billion consumers by 2010.

Asked on the East Asian cooperation proposed by South Korea, Makarim said the idea was not yet conclusive as it was still being studied by the country's expert group.

An East Asian forum, to involve all the stake holders like the government, private sectors, intellectuals and youths, would be held to discuss the matter further, he said.

"At this stage there is no concrete idea with regard to the East Asia cooperation. It is still too premature if we are to compare it with the ASEAN+3 which is already in existence and we have programmes on it," he said.

The Bali Summit, which will also be attended by Dr Mahathir before he steps down as Prime Minister at the end of this month, will produce the Bali Concord that will outline three pillars of declaration to established an ASEAN Community.

They are the ASEAN Economic Community, ASEAN Security Community and an ASEAN Social and Cultural Community by 2020.

The other documents to be signed by leaders of ASEAN and their dialogue

partners are a framework for comprehensive economic partnership between ASEAN and Japan and a declaration on strategic partnership for peace and prosperity with China.

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