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`Make Asean+3 forum a regular summit'

By Hardev Kaur

TO take regional economic integration "to greater heights and in new directions", the Asean+3 forum should be advanced into a regular summit of the East Asian Economic Community, says Prime Minister Datuk Seri Abdullah Ahmad Badawi.

He said this new arrangement would help integrate East Asian countries and establish a platform for pragmatic regional co-operation in economics, politics and diplomacy.

"This will raise the comfort level among participants of the Asean+3 to a greater height of trust and confidence among them," Abdullah said.

In his keynote address at the 10th International Conference on The Future of Asia organised by Nikkei, the Prime Minister explained that the region's "commitment to global friendship, calm and stability, justice and balance - things we need for our region's fast and sustainable development - could then be bolstered and be our contribution to the world".

The region must not be one that can say "no", Abdullah said. "It is better to be a region that can say `yes'. Yes to peace, stability, fairness not only in the region but globally and `yes' to prosperity in the region and for all humanity."

Asia's massive financial surpluses and the bulk of the world's currency reserves must be put to good use, he said, with financial and monetary co-operation proceeding in tandem with trade co-operation and not following it.

Abdullah reasoned that the situation in Asia was different from that of Europe, where trade co-operation, beginning in the 1950s, long preceded financial co-operation.

"The Europeans have a common currency, the euro, and it is not too early to start pondering deeply the virtues and problems of having a single Asian currency."

The first step is to substantially advance the Chiangmai Initiative and move on with the establishment of an Asian Monetary Institution, an idea first proposed during the Asian Financial Crisis.

The idea was shot down at that time as it was said to undermine the work of the Bretton Woods Institutions - the World Bank and the International Monetary Fund.

If there are still reservations over its immediate establishment, Abdullah said, there should at least be serious consideration for the immediate establishment of a think tank - the "Asian Monetary Institute" - as a precursor to the Asian Monetary Institution.

The proposed Asian Monetary Institution should not rival and supplant the IMF, but "keep an eye on Asia, not only when danger lurks and crisis strikes, but on a 24-hours-a-day, seven-days-a-week, 365-days-a-year basis".

It would be staffed by experts who would not have to monitor so many wide-ranging economies, but would have greater empathy for and understanding of Asian societies, psychologies, interests and circumstances, Abdullah said.

He said that regional integration was a means and not an end in itself. It must be productive and not counter-productive in terms of East Asia's interests and priorities.

The Prime Minister said Asia must develop areas of co-operation and integration that have powerful spillover effects. It should focus on areas

that benefit the majority and not just a few.

The model of co-operation and integration must be democratic and egalitarian, not hegemonic or imperialistic.

He said the private sector had an important role to play but stressed that Governments in the region should provide "more of a helping hand" to ensure that institutions and rules and regulations help rather than hinder the private sector.

Participants at this year's conference include former Prime Minister Tun Dr Mahathir Mohamad, who together with former Philippine President Fidel Ramos and former Japanese Prime Minister Yasuhiro Nakasone spoke on Entrusting the Dream to Asia's Next Generation.

Singapore's Senior Minister Lee Kuan Yew spoke on the Agenda's and Perspectives for Japan's Resurgence'.

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