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Apec spreading itself thin

Hardev Kaur

TRADE and terrorism take centre stage at the Asia Pacific Economic Co-operation summit. While the United States describes the two issues as inseparable, other members want the forum to retain trade, economic prosperity and investment as its main focus.

The stated goals of the grouping founded in 1989 are to promote trade and investment, but its focus appears to be shifting with new items being added, especially those concerning security following the Sept 11 attacks.

Malaysia has cautioned that the Apec agenda should not be overloaded. Malaysia's delegation to the summit beginning today is led by Prime Minister Datuk Seri Dr Mahathir Mohamad. He is expected to be highly sought after, not only for the fact that this is his last Apec meeting as Prime Minister but also because he speaks for many leaders in developing countries and is not afraid to make his views known clearly.

The differences on the focus emerged with some, including Malaysia, pointing out that the agenda should not be over-loaded with new elements and issues.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz said if the agenda is allowed to grow too wide, economies may not have the resources to participate effectively in the many diverse activities. This may lead to a lack of commitment in implementation.

She stressed the need for Apec to be more focused and to streamline its process to better manage the agenda and to make the grouping relevant to its economic mandate.

"The review should not be to expand Apec beyond its trade and economic agenda but to refocus on its core competency of trade facilitation and reducing the costs of doing business," she said.

Even now the grouping is addressing an "increasingly broad work portfolio beyond its original economic mandate". Even with its already packed agenda - including trade and investment liberalisation, trade facilitation, e-commerce, SME development, secure trade, business mobility, standards, business dialogues, economic research and capacity-building programmes - non-trade issues are being brought into the Apec ambit. These include specific issues such as security, health and other peripherals.

US President George W. Bush in an interview with The Nation ahead of the meeting made it clear that Washington will push for security at the meeting.

He is set to designate Thailand as a major non-Nato ally in the region, a label also conferred on Manila.

At the senior officials meeting ahead of the ministerial meeting, the US tabled an action plan to counter terrorism which it said would secure trade in the region.

It proposed measures to control the production, sale and transport of mobile surface-to-air missiles - referred to as Man-Portable Air Defence Systems (Manpads).

US Secretary of State Colin Powell stressed that tackling security was inextricable from bolstering trade and economic growth. He is reported as saying that, "One of the shifts at this Apec meeting is to try to move Apec into a broader agenda that deals as much with some of the security issues that are facing the world, to sort of parallel what has been going on in trade and economic activity."

A number of members, including host nation Thailand, have pointed out that "Apec is not a security forum". Rafidah said "political and security issues should not be in the Apec agenda". There are other organisations and forums to deal with security issues.

Thai Foreign Minister Surakiart Sathirathai said his country would seek closer co-operation in areas such as intelligence gathering. "We don't need military force or assistance. We are capable of tackling this problem ...but what we need is co-operation on intelligence," he said.

Indeed intelligence gathering and sharing among members has been stressed since the Apec meeting in Shanghai in 2002. But the leaders had not agreed to the expansion of the Apec agenda to include security.

It has been pointed out that several Apec members are developing economies with limited resources and cannot pursue a wide-ranging duplicative agenda. They should not be burdened and constrained from reaping benefits.

In addition, the wake-up call from Cancun has brought greater focus on trade issues and the need to get the talks back on track to revive the momentum to achieve the goals of the Doha Development Round.

The lack of progress and the inability of the developed nations to move their own agenda forward in Cancun will see them pushing it in Bangkok. The leaders are urged to demonstrate "political commitment" to prevent a complete collapse of the Doha Round.

Thailand wants to shorten the time-frame for the Bogor Goals which call for developed countries to reduce tariffs to zero to five per cent by 2010 while the deadline for developing members is 2020.

Thai Prime Minister Thaksin Shinawatra is expected to raise the proposal to shorten the time-frame. At the Asean Summit in Bali earlier this month, Thailand and Singapore pushed for members to speed up the goals from 2020 to 2015.

But Rafidah reminded the ministers that the Bogor Goals are "voluntary and non-binding" and are based on best endeavour.

Malaysia made headlines for insisting that an appendix be attached to the leaders' declaration in Bogor that the goals be "non-binding and voluntary". This has been the principle for Apec ever since.

The trade liberalisation agenda has gained even greater prominence within Apec after Cancun. Developing countries are blamed for the sudden end to the talks in the Mexican resort. Their unity demonstrated that they were not prepared to succumb to the empty promises of the developed nations, which continue to subsidise their farmers, yet call on developing countries to open their markets to imports from the rich North.

Some of the 21 Apec economies, which include the Philippines, Chile and Mexico, were part of the group of developing countries that rejected a compromise at Cancun.

But the unity of the developing countries is being tested and there are already signs that they are being divided again. Even within Apec, divisions are expected following the US invasion of Iraq and the "rewards and offers" for those that backed it and those that did not.

The developing Apec members are Thailand, Brunei, Chile, China, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Russia and Vietnam. The developed members are Australia, Canada, Hong Kong, Japan, New Zealand, South Korea, Singapore, Taiwan and the US.

While the importance of getting the Doha Round back on track has been stressed, a key player, the Director-General of the World Trade Organisation Dr Supachai Panitchpakdi, has not been invited to meet the leaders. This is the first time the WTO head has not been invited to Apec's annual summit.

The exclusion of the former Thai deputy prime minister comes at a

crucial juncture in the world trade talks following the sudden end of the talks in Cancun, Mexico. He nevertheless will hold talks with some of the leaders attending the meeting in Bangkok.

Undoubtedly the 21member grouping with 2.5 billion people accounting for some 47 per cent of world trade and a combined Gross Domestic Product of US\$18 trillion (RM68 trillion) in 1999 has an important role in global trade. It is seen as providing a major impetus to the stalled world trade talks. But it cannot ignore the needs, views and concerns of its developing members. Its focus and energies should not be diverted or diluted with the addition of other issues which are better and more effectively dealt with by other specialised organisations and forums.