

13/06/2003

## Asean shifts focus to trade

Ashraf Abdullah

SENIOR officials from 10 Southeast Asian nations began their deliberations in the Cambodian capital of Phnom Penh yesterday to set the tone for the two-day 36th Asean Ministerial Meeting beginning on Monday and the ensuing post-ministerial conference and the Asean Regional Forum.

The meeting is being held at a time when the regional grouping, described by a western newspaper as being a mere "expression of geography" and "mutual admiration", is under fire from the international media for what they believe is its ineffectiveness in solving the situation in Myanmar.

Although the issue of opposition leader Aung San Suu Kyi, who is being held under "protective custody" by the ruling military junta following clashes between her supporters and those of the junta, is not in the agenda of the ministerial meeting, ministers are expected to raise the issue during their informal sessions.

"The other nine Asean countries are generally of the opinion that Suu Kyi should be released immediately," said a senior official.

Despite Asean's policy of non-interference enshrined in the 1976 Treaty of Amity and Co-operation which is the grouping's only binding agreement, the ministers are expected to put subtle pressure on the Myanmar Government to release Suu Kyi, the leader of the National League for Democracy.

They are compelled to do so as the United States and European Union are considering more trade and investment sanctions against Myanmar.

Asean has to avoid giving the impression that the group will put up with behaviour such as Myanmar's, ignoring their own democratic constituencies and leaving official advocacy of open societies in Western hands.

On a more positive note, the ministers will also discuss the Malaysian offer to host the Asean+3 secretariat, although Singapore and Indonesia are expected to object to it.

"The ministers will have a relook at the Malaysian proposal, especially now that the Asean Secretariat is facing heavy workload as a result of the increasing linkages and joint programmes between Asean countries and the three Northeast Asian countries of Japan, South Korea and China," said an official.

He believes that Asean+3 requires its own secretariat as the staff of the Asean Secretariat in Jakarta can no longer deal with the increasing number of Asean+3 projects.

At the seventh Asean Summit in Bandar Seri Begawan, the 13 Southeast and Northeast Asian leaders agreed to institutionalise the Asean+3, the de facto EAEG which was first proposed by Prime Minister Datuk Seri Dr Mahathir Mohamad 13 years ago.

The leaders felt that the US, to which many countries in the region are dependent on for trade and services, can no longer be relied on as the engine of growth.

The economic slowdown in the United States, even before the Sept 11 terror attacks has had a domino effect on the countries in the region. Japan, South Korea and Singapore were among those who had to pay a heavy price for their over-dependence on the US.

The 1997/98 financial crisis, which devastated economies in both Southeast and Northeast Asia, was another reason.

Since the decision to institutionalise the Asean+3 was made in 2001,

Malaysia has been the only country to offer to host the Asean+3 secretariat.

The Government has offered a seed funding of US\$10 million (RM38 million) for the first five years of the secretariat's operation.

Indonesia has objected to the setting up of the Asean+3 secretariat as it believes that it would render the Asean secretariat in Jakarta redundant.

Singapore fears that it will overshadow the Asia-Pacific Economic Co-operation secretariat, which it now hosts.

The other positive outcome of the AMM/PMC will be China's expected accession to Asean's Treaty of Amity and Co-operation through a protocol and Russia signing the Joint Declaration on the Partnership for Peace, Security, Stability and Co-operation in the Asia-Pacific Region.

The move by Russia and China will ensure peace and stability in the region and boost investor confidence.

By signing these documents, Russia and China are committing themselves to Asean's long-standing principles of non-use of threat or force in solving disputes.

On the issue of economy, the ministers are expected to discuss Singapore's proposal on the possibility of establishing an Asean Economic Community.

"Where do we go after Afta (Asean Free Trade Area)? This is the question that Singapore is asking," said a diplomat.

Afta is only about reduction and eventual elimination of tariffs on goods and services.

Singapore fears that intra-Asean trade, which only accounts for 25 per cent of the region's total global commerce, will stagnate after Afta is fully implemented.

Singapore believes that Asean has to move on and establish an economic community, minus a customs union like the EU which even allows the free movement of labour, which countries of the region are not willing to do.

"The Asean member countries have asked their respective thinktanks to study Singapore's proposal," said the diplomat.

The ministers will also discuss other issues like the Severe Acute Respiratory Syndrome which resulted in hundreds of deaths in Asia as well as the situation in Aceh where the Indonesian Government has launched military offensive against members of the Free Aceh Movement.

North Korea's recent revelation that it would seek to develop nuclear weapons to reduce the size of the millionman army that it could no longer afford, are also expected to be discussed during their informal meetings.