

**ASEAN
RELATIONS
with
DIALOGUE
PARTNERS**

B. A. Hamzah



Pelanduk
Publications

518538

Pelanduk Publications (M) Sdn. Bhd.

24, Jalan 20/16A,
Paramount Garden,
46300 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

APB

M

337.59

HAM

© Hamzah bin Ahmad 1989

ISBN 967-978-193-3

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording or any information storage and retrieval system, without permission in writing from the publisher. Printed by Eagle Trading Sdn. Bhd., No. 81, Jalan SS 25/32, Taman Mayang, 47301 Petaling Jaya, Selangor.

15 NOV 1989

Perpustakaan Negara
Malaysia

About the Author

BA HAMZAH is presently Senior Fellow at the Institute of Strategic and International Studies (ISIS) Malaysia. He has lectured for some years in the School of Social Sciences, Universiti Sains Malaysia. Prior to joining ISIS he was Head of Strategic and International Relations at the Armed Forces Defence College, Ministry of Defence, Malaysia.

BA HAMZAH received his Ph. D. from the Fletcher School of Law and Diplomacy at Tufts and has also attended Harvard.

Preface

This monograph has dealt at great length with only one major aspect of Asean dialogue relations process — albeit a very important one. It deals with technical cooperation and technical assistance. It has not addressed in great detail trade and commercial issues in dialogue relations — the two weak links which Asean countries need to upgrade to give meat and meaning to the dialogue process.

Asean countries have come a long way in recognizing the need to close ranks and approach their dialogue partners in a much more realistic way. The need for collective approach and collective action was given a special emphasis at the 19th Meeting of the Asean Economic Ministers' Meeting held in Singapore (9-11 July 1987).

Among other issues the Economic Ministers' Meeting noted with concern were the strong protectionist mood in the US Congress and numerous other trade problems faced by Asean in the dialogue countries. Some of the problems with the US which were cited include: anti-dumping actions, countervailing duty petitions, GSP petitions, farm subsidies and "buy America" campaigns.

One encouraging element in the US—Asean dialogue process deals with the new Asean-US Initiative (AUI).

The Asean-US Initiative concept is old wine in a new bottle. The need for long-term economic cooperation with all the dialogue partners for mutual benefit has been

discussed and trashed out for many years. The need is more pressing now than ever as the international economic environment is becoming more unpredictable. The AUI is a manifestation of this need. It is possible that the AUI concept will also find popular precedence with other dialogue partners. Some Asean countries are already talking of an Asean-Japan initiative.

The Asean Economic Ministers were also concerned about the smear campaigns mounted by the American Soyabean Association against tropical oils. The Asean Ministers had agreed to develop appropriate counter-strategies to counter these smear campaigns which advocated restriction of the entry into the US market of palm oil, palm kernel oil and coconut oil.

It is important that Asean face the campaign in a concerted manner with all the resources that it can command. With the exception of Brunei, all Asean countries sell tropical oils to the US market. Although Singapore is not a producer of commodities it still exports both crude and refined tropical oils.

The Economic Ministers' Meeting also welcomed the announcement by Japan at the Post-Ministerial Meeting that it would establish a fund to help promote Asean economic cooperation and development. Asean ministers urged Japan to make the fund available for joint-ventures among the private sectors of Asean and to encourage private joint-ventures between Japanese and Asean businessmen.

At the meeting with the Japanese officials the Asean Economic Ministers pointed out the potential for investment in Asean. It was argued that as a result of currency realignments in Japan's favour it would be more cost efficient for Japan to relocate some of the low technology industries to the Asean countries. Not only would these industries gain from the currency realignments; cheap labour and high skills in Asean would also give the Japanese manufacturers a competitive edge in the international market.