

WTO

Sir Leon said that a common agenda for trade liberalisation already exists. All foreign ministers agreed on the need to tackle telecoms as a top priority. Sir Leon said he was keen to see offers from all Asian countries on the table. The Singapore Ministerial will give the future trade agenda a common focus. Sir Leon proposed the idea of a Senior ASSEM officials' meeting in Brussels on July 25 which was broadly supported.

On investment, he said that there was now a groundswell of recognition that this was a key issue. The EU, he said, welcomes the Thai suggestion for an EU-Asia Investment Action. This will be one focus of the Senior Official's work. It will give us the chance to study obstacles that need to be removed both in Europe and in Asia, identifying how far such obstacles can be removed multilaterally and how far rules themselves are needed.

Business Cooperation

Sir Leon said the EU is anxious to see that businessmen in Europe and Asia work closely together. We will look at how we might form a Joint Business Forum. Some suggestions have also been made for specific business conferences, for example on infrastructure in Indonesia.

Political dialogue

Plenty of sensitive topics were mentioned during the morning. On ex-Yugoslavia, the EU asked for more help in the reconstruction effort, while on Korea the EU referred to its first step in supporting the Kedo body which will promote a safer, more peaceful development of the North Korean nuclear industry.

Amities,

N.G. van der Pas

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TO	DIR	AD	ADM	PL	SR	CO	DE	EU	PA	SE	TO

NOTE BIO AUX BUREAUX NATIONAUX
cc. aux Membres du Service du Porte-Parole

Asia-Europe Meeting in Bangkok

The Bangkok Summit was concluded on 2 March by a press conference by the Thai Prime Minister and the Presidents of the Council and the Commission. The Thai Prime Minister Banharn Silpa-Archa gave a summary of his Chairman's conclusions. The operational follow-up is described as follows in these conclusions :

"The Meeting agreed to the following follow-up measures:

- the Foreign Ministers and the Senior Officials' meeting in charge of the first ASEM would coordinate and prepare for the second ASEM on the basis of the result of the first ASEM. In this connection, a Foreign Ministers' meeting would be held in 1997;
- an Economic Ministers' meeting would be held in Japan in 1997 to discuss relevant economic issues;
- an informal Senior Officials' meeting would be held in Brussels in July 1996 on ways to promote economic cooperation between the two regions, and in particular liberalisation and facilitation of trade and investments, with an initial emphasis on WTO issues;
- a meeting of Government and Private Sector Working Group would be convened in Thailand to draw up within six months an Asia-Europe Investment Promotion Action Plan to promote greater cross-flows of investment between Asia and Europe. Such a group could also study the current status of and potentials for investment between Asia and Europe and recommend measures to be taken in this regard;
- an Asia-Europe Business Forum would hold its inaugural meeting in France in 1996 and the next meeting in Thailand. At this Forum, Senior Officials would consider the appropriate modalities for fostering greater cooperation between the business and private sectors of the two regions. In this connection, a business conference would be held in 1997;
- Malaysia would act as coordinator for the study of integrating a trans-Asian railway network (commencing initially with the railway project of the Mekong Basin Development) and also the study of the subsequent possible integration of this railway network with the trans-European railway network;
- the establishment in Thailand of an Asia-Europe Environmental Technology Centre to undertake research and development activities as well as provide policy guidance to both regions' governments and peoples;
- an Asia-Europe Foundation would be set up in Singapore with contributions from Asian and European countries, to promote exchanges between think-tanks, peoples and cultural groups. In this connection, Singapore has offered to contribution US\$ 1 million to seed this foundation;
- an Asia-Europe University Programme would be started to foster exchanges of students and scholars with a view to developing better understanding of the cultures, histories and business practices of both regions;

- intellectual exchanges between Asia and Europe through the holding of seminars and symposia on international and regional issues and the establishment of networks amongst the appropriate think-tanks from both regions;
- objective studies on the economic synergy between Asia and Europe to provide future prospects and a solid basis for developing effective policy measures;
- youth exchange programmes of mini "Davos-type" to strengthen cultural links and the mutual understanding between the two regions.

The meeting also agreed to consider the following:

- a meeting of Finance Ministers;
- an Asia-Europe Cooperation Framework which will spell out the principles and mechanisms for long-term Asia-Europe cooperation in political, economic, social and other areas;
- the establishment of a study group on enhancing technological exchanges and cooperation, particularly in the areas of agriculture, environmental protection, and technological upgrading and improvement of enterprises;
- the development of closer cooperation among customs authorities in Asia and Europe in the areas of customs procedure and prevention of illicit drug trade;
- cooperation in the development of the Mekong River Basin."

President Santer made the following final statement :

"First of all I would like to thank His Majesty the King and the Thai authorities for having hosted this meeting and for the splendid hospitality which we have enjoyed in Bangkok.

Before I left Europe for Bangkok, I was confronted with scepticism about ASEM. Was this going to be just another of so many international meetings without decisions, without agreements, but with big potential for conflict between different societies and cultures ? My answer was this: ASEM could well prove to be of truly historical importance. In 1951 we started in Europe an integration process of the coal and steel sectors. A small beginning. In a few years from now, before the turn of the century, that integration process will have grown into economic and political union, with a common currency. Nobody would have believed such a prediction in 1951. Today it confirms an old truth: even the tallest tree starts from small seed.

But already today the importance of the Europe-Asia meeting is clear. It marks a historical turning point in our relations. For the first time in history, Europe and Asia have sat down to discuss how to build their future region-to-region relations in their common interest and to their mutual advantage.

They have done so with a broad agenda covering political, economic and cooperation issues. And they have done so by setting a firm agenda to ensure a concrete follow-up. The statement of the Prime Minister of Thailand indicates how this will be done. I was struck by the fact that so many leaders came with concrete proposals, for instance in the field of education and culture, environment, railway links.

The private sector will be involved. Several meetings of ministers and senior officials will keep up the momentum of the process. The European Commission is pleased to host the July Brussels meeting on trade and investment issues. We will also organise a major conference on European Investment in Asia on 1 April next in Geneva. And the European Union will throw its weight behind all other projects and endeavours aiming at the success of ASEM.

A word about the so-called sensitive, controversial issues. We have recognized that besides the interests and values we share, we also have our differences. I do not use these words to sweep problems under the carpet or to indicate that either side has given up its views or its determination to pursue them. But in my political experience delicate issues are not solved by shouting across the fence. They require dialogue and mutual understanding. This was done in many bilateral meetings which all of us have had. The way in which the Timor question was approached is a good example. And in my discussions with Prime Minister Li-Peng, I received the confirmation that there is no obstacle to discussing even the most touchy issues.

I am convinced that our next meeting in London in 1998 will confirm through concrete results that Bangkok was the start of a great endeavour. I believe that we have found the right format which will be maintained for our next meeting, with direct exchanges between heads of State or government being prepared as appropriate by Ministers."

Sir Leon in his parallel meetings with ASEM Foreign Ministers made the following points:

"The message from this Summit is that Europe and Asia should be open to each other economically, without fortresses or fear, and that politically we should feel mutual responsibility towards each other. We are long past the time that we are so far apart that it does not matter to the one what happens to the other.

Kedo: The Commission very much hopes that the EU will go beyond the initial payment. I hope that the EU will become a fuller and more substantial participant in Kedo in the future.

Trade and investment: I welcome the agreement to hold a Senior Officials' meeting in Brussels on July 25. I do not believe that there need be conflict between the focus among some Asian countries on implementation of the Uruguay Round and the EU's focus on new trade issues. If we want to open each other's economies, both need to be done.

Telecommunications: This is an absolutely top priority. I appeal to those who have not submitted offers to do so right away, and to those who have not gone far enough to go further. The deadline of April 30 is fast approaching.

Environment: There is a common interest in the need for an agreement on trade and the environment at Singapore. We must make sure that it is pro-trade and anti-protectionist while giving weight to environmental factors.

Open regionalism: Regarding an eventual EU response to the concept of open regionalism by APEC, we welcome the invitation by APEC to take steps towards liberalisation on a MFN basis in the coming years. We must build on the success of the Uruguay Round. With regard to investment, I understand the suspicions and concerns expressed. I would urge colleagues to remain open-minded. European businesses will not invest in Asia without the assurance of a firm basis for their investment. After all, we are now absolutely equal partners, therefore let us openly discuss the content of an agreement on investment and not seek to avoid dialogue on this crucial issue. No one can force an agreement on anyone else, and the EU has no intention of trying. But it is in Asia's interest to attract further European investment by providing a legally assured and welcoming framework.

Let us not forget that the EU itself is a force for liberalisation. We are liberalising our financial services, telecoms and other sectors, creating a single barrier-free market open to our Asian partners. This can be regarded as itself a response to the APEC challenge. We have also accelerated our Uruguay Round obligations, bringing 1997 tariff rates forward to 1996. We want to go further. There must be an ambitious outcome in Singapore, and I hope the Senior Officials can achieve that. We are studying the scope for further liberalisation with the United States, following the EU-US Summit last December, including the possibility of an Information Technology Agreement. If that proves feasible it will of course need to operate on a multilateral MFN basis.

We will give serious and sympathetic consideration to APEC's suggestions. This cannot be decided overnight, for it has taken APEC several years to get this far. We will see what APEC actually decides to do later this year. We will consider it carefully, taking account of all that we have already done and are doing, and will see if what APEC is doing goes beyond this with a view to giving it a comparable response."

Bilateral meetings

President Santer saw the Chinese Prime Minister Li-Peng. During that meeting the following points were made:

- Jacques Santer indicated our wish to strengthen relations both politically and economically. He expressed satisfaction about the Chinese purchase of 3 Airbus planes. He also expressed the hope that a forthcoming visit by Sir Leon to China would contribute to the development of relations in the field of R&D.
- President Santer also reiterated the Commission's strong support for Chinese membership of the WTO, but he recalled that the Chinese entry offer should still be improved. Prime Minister Li-Peng said that China had already reduced its external tariff from an average of 36% to 23%, but was ready to go further.
- As to the delicate issue of human rights, Prime Minister Li-Peng said that there were similarities as well as differences between China and Europe. These could and should be discussed but the best way to approach them was through bilateral dialogue.
- On bilateral trade relations, the Chinese Prime Minister saw a great development potential, the EU being only China's third trading partner after Japan and the USA. Europe had many products to offer which were necessary in China's modernisation drive. For its part, Europe should limit import restrictions towards China. President Santer agreed with the improvement prospects but also recalled that the Union had already removed thousands of quantitative restrictions.

- Finally, President Santer said that the Union was looking for a smooth transition concerning Hong Kong. Mr Li-Peng said that he could assure President Santer that the European interest in Hong Kong will be protected.

Finally, during bilateral talks between Sir Leon and Japanese Foreign Minister Ikeda and MITI Minister Tsukahara, the following points were covered:

Telecoms: Sir Leon told Japan firmly that its offer on telecoms was currently insufficient, and should be improved. If not, it would be impossible to get the Americans on board. This is "a top priority for us in the near future", he said. The Japanese Ministers said that Japan was working on it, while seeking to ensure the best possible coordination between Tokyo Ministries.

Deregulation: Japan sought to reassure Sir Leon that the new Japanese government was serious about deregulating its economy. Sir Leon said it was important for Japan that the EU's list of 180 deregulation requests, only 40% of which were so far being taken on board, was fully agreed by all EU Member States and the Commission. It was vital, he added, to stand up to vested interests. Japan welcomed the Commission's offer to provide more specific details of its requests if that would make Japan more receptive to the European view.

Copyright for recordings: Sir Leon expressed the EU's relief to hear that Japan apparently intended to change its copyright law protecting past recordings, but thought it would be best if Japan consulted the EU to make sure that its modifications satisfied the complainants (ie the EU). This was especially important given that the EU was effectively being asked its view on Japanese intentions rather than actions. The Japanese said that they would give serious consideration to this matter, would be consulting their Parliament, and would take the necessary action when the time was ripe to do so.

Pork: Sir Leon said the safeguards against imports of pigmeat were having severe economic effects on EU exporters. Japan said that any illicit action by Japanese operators would be dealt with vigorously by the authorities.

Nuclear: Japan said it appreciated the EU's contribution to the Kedo body, which was taken as a concrete signal of EU engagement in Asia. Sir Leon said the EU was determined to help political as well as economic stability in East Asia, and he hoped that the EU contribution to Kedo would become a continuous matter.

Amitiés,
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