

Comment

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1. Firstly, section 1 briefly reviewed the regional integration scene. This was well organized and was of great reference value.

2. In section 2 on the experience of Indonesia, a specific discussion was made of the process leading up to the decision of the Indonesian government over signing the AFTA (decided on the day before the Singapore Summit). I learned about this for the first time and it was very interesting.

In the period of serious recession which followed the second oil crisis of the 1980s, the Indonesian government executed a series of deregulation measures and was quite successful in increasing non-oil exports. This had a major impact on Indonesia's decision to tackle the AFTA.

3. I learned the reasons why Indonesia decided to positively tackle APEC using ASEAN as a springboard and the logic behind the opposition to the EAEC.

4. Section 3 stated that past private investment has enabled large strides to be taken in the direction of unification of the East Asian economy. I agree with this.

Further, Dr. Djisman pointed out that the extreme diversity of East Asia may form fertile grounds for all sorts of future conflicts. I agree with this as well. China, which is now absorbing products and investment much like a black hole, will change into a massive base for production and export of manufactured goods in perhaps 10 years time or so and start to disgorge huge amounts of goods. If this happens, then international tensions over markets may become far greater than today.

5. The regional framework known as APEC is indeed very meaningful for the member states, but as pointed out by Dr. Djisman, the coordination of the roles of ASEAN and APEC has become an important issue for the ASEAN member states. After APEC starts getting truly under way, the significance of ASEAN for the member states will lie in (1) the role of ASEAN as an incubator for the member states, (2) the increased attractiveness of the ASEAN region as a whole as a site for investment by companies from outside ASEAN, and (3) the superior positioning, at least temporarily, relative to countries outside the region in terms of access to the virgin markets of the countries of Indochina through acceptance of membership of the Indochina countries in ASEAN. These will all be realized only if all of the ASEAN countries ease regulations faster than the deregulations under APEC. Accordingly, companies in ASEAN will have to

be quick to enjoy these merits. By the year 2020, the economic meaning of ASEAN will probably be lost. The rapid establishment of the institutions behind APEC since last year may have the greatest impact on ASEAN. I would like to ask Dr. Djisman the reason why Indonesia suddenly has become more positive over speeding up economic liberalization this year.