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ASEAN, EU agree to launch trade talks

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KUALA LUMPUR, Malaysia --

Southeast Asian nations and the European Union agreed Friday to start free trade talks, a breakthrough after more than two years of wrangling over military-ruled Myanmar's poor human rights record, a senior official said.

The decision was made in Brunei where economic ministers of the 10 member nations of the Association of Southeast Asian Nations met with their counterparts from Europe and Japan, said ASEAN secretary-general Ong Keng Yong. The two-day meeting ended Friday.

"We agreed to launch ASEAN-EU FTA negotiations. We will establish a joint working committee to work on this. They will address all thorny issues," Ong told The Associated Press in a telephone interview from Brunei's capital Bandar Seri Begawan.

"The journey is still very long but we have taken it to the next step already after talking for more than 2 1/2 years."

ASEAN ministers also moved closer to forging a free trade pact with Japan by November after both sides bridged differences over tariff cuts, Ong said.

The EU was ASEAN's third-largest trading partner in 2005, with total trade of \$140.5 billion, according to the ASEAN Web site.

The informal talks in Brunei, described as a ministerial retreat, were attended by the Japanese Economy, Trade and Industry Minister Akira Amari as well as EU Trade Commissioner Peter Mandelson.

Mandelson said the EU's stand on Myanmar has not changed despite its decision to start FTA talks, according to a report from Malaysia's national news agency Bernama.

"I think this is an important further step in relations between EU and ASEAN and I am glad we're kicking this off today in Brunei," he was quoted as saying.

Bernama said an agreement would increase EU's exports to ASEAN by 24.2 percent while ASEAN's exports to the EU would rise 18.5 percent.

Myanmar's slow democratic reforms are an embarrassment to ASEAN and previously hampered its plan to launch free trade talks with the EU, which applies economic and political sanctions on the military-ruled nation.

EU officials have said talks depend on ASEAN forcing Myanmar - one of its members - to meet global human rights standards.

Myanmar has come under international condemnation for jailing pro-democracy leader Aung San Suu Kyi and hundreds of other political dissidents. The military, which has ruled Myanmar since 1962, has promised a road map to democracy, which has been dismissed as a sham as it has made little progress.

But in recent years, countries like Malaysia, Indonesia, Singapore and Philippines have become vocal in urging the junta to allow democracy, a radical departure from ASEAN's policy of noninterference in each other's affairs.

The other members of ASEAN are Brunei, Thailand, Vietnam, Cambodia and Laos. The last two countries already enjoy zero tariffs on exports to Europe under EU's concessions for very poor countries.

Ong did not say when the free trade talks with EU will start. He said the joint working committee will convene soon to discuss the formalities and the agenda.

The negotiations would be tough and would take years, Ong said.

"This is the first time we are undertaking such a huge FTA negotiation," he said. "The EU is an integrated market economy and they have many rules and regulations for every single product."

Ong said Myanmar will participate in talks despite EU sanctions, he said.