

Asia Steps Up Push Towards Huge Free-Trade Zone

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PATTAYA, Thailand (AFP) — Sixteen Asian nations will step up investigations into establishing a giant free-trade zone stretching from China to Australia, according to documents obtained by AFP on Friday.

The documents, to be issued during a weekend summit in the Thai resort town of Pattaya, said that 16 Asian leaders will throw their support behind efforts to deepen and expand trade ties and reject protectionist measures.

Leaders of the 10-member Association of Southeast Asian Nations (ASEAN) will meet their counterparts from China, Japan and South Korea on Saturday.

On Sunday they will be joined by leaders of Australia, India and New Zealand under the banner of the East Asia Summit, a grouping which represents half the world's population.

A draft of the statement to be issued at the end of Saturday's talks said leaders will ask their economic ministers to "explore ways and means to increase regional trade."

The leaders said an East Asia-wide free-trade zone -- covering ASEAN as well as China, Japan and South Korea -- would enhance the free flow of goods, people and capital.

"In this regard, they tasked the economic ministers to submit the final report of the second phase feasibility study" into the pan-Asia trade zone during their next summit in October, the document said.

The study is aimed at establishing how the region's existing web of free-trade agreements can be linked together into a more comprehensive region-wide pact.

Free trade and a rejection of protectionism is also a major plank in the leaders' statement to be issued on Sunday by the larger 16-nation grouping.

A draft of that document said the leaders will agree to further open up their markets and look forward to seeing their ministers' recommendations on the pan-Asia free-trade zone during the October talks.

"As a further sign of their commitment they pledged to minimise the trade-distorting impact of their fiscal stimulus measures and industry support policies," it said.

ASEAN has signed free-trade pacts with most of its trading partners, but it is pushing for a larger Asia-wide zone where both tariff and non-tariff barriers are torn down.

"It's time to look at how we bring all these bilateral free-trade agreements together," said S. Pushpanathan, ASEAN deputy secretary-general in charge of economic affairs.

The feasibility studies were already in their second phase and were "very comprehensive and detailed," he told AFP.

"We will take a staged approach," Pushpanathan said, signalling that establishing the massive trade zone would not be easy. "It will all depend on the studies."

Economists say that a network of smaller accords could be a foundation to build on for a bigger free-trade area.

But some analysts have warned that dividing the world into trade blocs could undermine multilateral talks under the World Trade Organisation.