

Concerted action in the United Nations on such issues as Cambodia has led to consultations and even united action on a wide variety of issues of both direct and indirect interest to the members of the Association. For example, the ASEAN countries have worked at coordinating their response to Law of the Sea issues, they have taken common stands on a variety of commodity issues, and have worked together effectively within the GATT and on deliberations for the Uruguay MTN Round. They have also presented a coordinated view to the Economic Summits since 1984.

Economic Cooperation:

While ASEAN members have made great strides in political cooperation on bilateral, regional, and international political/security issues and broad economic matters, trade and commercial cooperation has been relatively modest. Progress in this latter respect has been slow since ASEAN economies are not complementary and, in many respects, members are competitors in the natural resources, agriculture, and fisheries sectors.

The Third ASEAN Summit took several steps to galvanize greater economic cooperation among members, with particular attention to the three high-profile schemes now in place: ASEAN Preferential Tariff Arrangements; ASEAN Industrial Joint Ventures; and ASEAN Industrial Complementmentation.

The basic feature of preferential tariff arrangements has been a commitment to exchange tariff preferences based on lists of products imported by member countries. Since its introduction in 1977, the PTA has grown to include over 20,000 items. However, the PTA scheme has not been successful in promoting intra-ASEAN trade as most significant items have been excluded. The Manila Declaration announced a 5-year plan to extend PTA coverage to 90% of total goods traded within the region and at least 50% of the value of total ASEAN-sourced imports. Other measures included an increase in preferential tariff rates and a commitment to "standstill and rollback" on tariff and NTBs affecting intra-ASEAN trade.

The ASEAN Industrial Joint Ventures scheme was amended to attract greater private sector interest, especially from foreign investors who may now possess 60% equity in AIJV projects, up from 49%. Other improvements included an increase in tariff preferences for AIJV products and undertaking to introduce Investment Guarantee legislation to protect investments from appropriation or nationalization.

ASEAN industrial complementmentation has been designated by the governments as the private sector's contribution to economic cooperation. Various industry groups, working through the ASEAN Chamber of Commerce and Industry, have set up