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AUSTRALIA'S FOREIGN ECONOMIC POLICY AND ASEAN

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AUSTRALIA'S FOREIGN ECONOMIC POLICY AND ASEAN

Jiro Okamoto



INSTITUTE OF DEVELOPING ECONOMIES JAPAN EXTERNAL TRADE ORGANIZATION



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Abbreviations and Acronyms

ABACAPEC Business Advisory CouncilACBCAFTA-CER Business CouncilACCIAustralian Chamber of Commerce and IndustryACMAAssociated Chamber of Manufactures of AustraliaACTUAustralian Council of Trade UnionsAEMASEAN Economic Ministers MeetingAFTAASEAN Free Trade AreaAHTNASEAN Harmonized Tariff NomenclatureAIDAAustralian Industries Development AssociationAIGAustralian Industries Development AssociationAIGAustralian Industrial Joint VenturesAIPASEAN Industrial ProjectALPAustralian Labor PartyAMMASEAN Ministerial MeetingANZSICAustralia and New Zealand Standard Industrial ClassificationAPECAsia-Pacific Economic CooperationAPTASEAN Regional ForumASAAssociation of Southeast AsiaASEANAssociation of Southeast AsiaASEAN-CCIASEAN Chamber of Commerce and IndustryASEAN-PMCASEAN-Post Ministerial ConferenceASEMAsia-Europe MeetingASTPAustralian System of Tariff Preferences for Developing CountriesATLaccelerated tariff liberalization	AAECP	ASEAN-Australia Economic Cooperation Program
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ASEANAssociation of Southeast Asian NationsASEAN-CCIASEAN Chamber of Commerce and IndustryASEAN-PMCASEAN-Post Ministerial ConferenceASEMAsia-Europe MeetingASTPAustralian System of Tariff Preferences for Developing Countries	ARF	ASEAN Regional Forum
ASEAN-CCIASEAN Chamber of Commerce and IndustryASEAN-PMCASEAN-Post Ministerial ConferenceASEMAsia-Europe MeetingASTPAustralian System of Tariff Preferences for Developing Countries	ASA	Association of Southeast Asia
ASEAN-PMCASEAN-Post Ministerial ConferenceASEMAsia-Europe MeetingASTPAustralian System of Tariff Preferences for Developing Countries	ASEAN	Association of Southeast Asian Nations
ASEM Asia-Europe Meeting ASTP Australian System of Tariff Preferences for Developing Countries	ASEAN-CCI	ASEAN Chamber of Commerce and Industry
ASTP Australian System of Tariff Preferences for Developing Countries	ASEAN-PMC	ASEAN-Post Ministerial Conference
Developing Countries	ASEM	Asia-Europe Meeting
	ASTP	Australian System of Tariff Preferences for
ATL accelerated tariff liberalization		Developing Countries
	ATL	accelerated tariff liberalization

AUSFTA AUSTA	Australia–United States Free Trade Agreement Australia–United States Free Trade Agreement
	Business Group (Australia)
Austrade	Australian Trade Commission
BBC	Brand-to-Brand Complementation (scheme)
BCA	Business Council of Australia
CAI	Confederation of Australian Industry
CEP	Closer Economic Partnership
CEPT	Common Effective Preferential Tariff (scheme)
	(ASEAN)
CER	Australia New Zealand Closer Economic Relations
	Trade Agreement (ANZCERTA)
CSA	Commonwealth Sugar Agreement
DFAT	Department of Foreign Affairs and Trade (Australia)
DK	Democratic Kampuchea
EAEG/C	East Asia Economic Group/Caucus
EC	European Community
ECAFE	Economic Commission for Asia and the Far East
EEC	European Economic Community
EEP	Export Enhancement Program
EPG	Eminent Persons Group (APEC)
ESCAP	Economic and Social Commission for Asia and the
	Pacific
ETMs	elaborately transformed manufactures
EU	European Union
EVSL	Early Voluntary Sectoral Liberalization (APEC)
FAO	Food and Agricultural Organization of the United
	Nations
FDI	foreign direct investment
FTA	free trade agreement/area
FTAA	Free Trade Area of the Americas
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GSP	General System of Preferences
GST	goods and services tax
G20	Group of 20
G77	Group of 77

HRD IAC IAPs ICAP ILs	human resource development Industries Assistance Commission (Australia) Individual Action Plans (APEC) international civil aviation policy (Australia) inclusion lists (CEPT)
ILS	
ILO IMF	International Labour Organization
IMT-GT	International Monetary Fund
ITA	Indonesia–Malaysia–Thailand Growth Triangle Information Technology Agreement
ITO	International Trade Organization
ISCOT	Ũ,
MAPHILINDO	Joint Standing Committee on Treaties (Australia) Malaya, the Philippines and Indonesia
MEDSEA	Ministerial Conference for the Economic
WIEDJEA	Development of Southeast Asia
MFA	Multi-Fibre Agreement
MFN	most favoured nation (status/treatment)
MITI	Ministry of Trade and Industry (Japan)
MOSS	Market-Oriented, Sector Selective (talks)
MOU	memorandum of understanding
MRAs	mutual recognition arrangements
MTIA	Metal Trades Industry Association (Australia)
MTMs	moderately transformed manufactures
NAFTA	North American Free Trade Agreement
NFF	National Farmers' Federation (Australia)
NFU	National Farmers' Union (Australia)
NIEs	Newly Industrializing Economies
NIEO	New International Economic Order
NTBs	non-tariff barriers
OECD	Organization for Economic Cooperation and
	Development
OPTAD	Organization for Pacific Trade and Development
PAFTA	Pacific Free Trade Area
PAFTAD	Pacific Trade and Development Conference
PBEC	Pacific Basin Economic Council
PBS	Pharmaceutical Benefit Scheme
PECC	Pacific Economic Cooperation Conference/Council
PKI	Indonesian Communist Party (Partai Komunis Indonesia)

PMV	passenger motor vehicles and parts (products/ industries)
PRK	People's Republic of Kampuchea
РТА	preferential trade agreement/arrangement
ROO	rules of origin
RTA	regional trade agreement
SAFTA	Singapore–Australia Free Trade Agreement
SALT	Strategic Arms Limitation Talks
SDT	special and differential treatment
SEAMO	Southeast Asian Ministers of Education Organization
SEATO	Southeast Asia Treaty Organization
SEOM	ASEAN Senior Economic Officials Meeting
SIA	Singapore Airlines
SII	Structural Impediments Initiative
SIJORI	Singapore–Johor–Riau (growth triangle)
SPPMs	simple primary product manufactures
STMs	simply transformed manufactures
TAC	Treaty of Amity and Cooperation in Southeast Asia
TAFTA	Thailand–Australia Free Trade Agreement
TCF	textile, clothing and footwear (products/industries)
TEL	temporary exclusion list (CEPT)
TOOS	Trade Outcomes and Objective Statements
	(Australia)
TPA	Trade Promotion Authority (USA)
TTMRA	Trans-Tasman Mutual Recognition Arrangement
UN	United Nations
UNCTAD	United Nations Conference on Trade and
	Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development
	Organization
USTR	United States Trade Representative
WTO	World Trade Organization
ZOPFAN	Zone of Peace, Freedom and Neutrality (initiative/
	declaration) (ASEAN)

Acknowledgements

This book is the fruit of the study that I conducted intermittently over many years at the Institute of Developing Economies (IDE), particularly during the two periods when I was posted abroad (in Canberra during 1992–94 and in Canberra and Bangkok during 2003–05) as an overseas researcher. The IDE provided me with precious time to revise draft chapters, add missing parts and compile them into a book.

I recall being already interested in Australia in my early teens and my interest in this "peculiar" country at the southeastern edge of Asia has only grown since then. I wrote my undergraduate and master's theses on topics pertaining to Australia–Asia relations. Since the 1997 Asian financial crisis, East Asian states have strengthened their regionalist tendencies and the economic integration processes in East Asia appear to be forging ahead with ASEAN at its core. In recent years, even the prospect of an "East Asian Community" has often been discussed. How shall Australia, whose position *vis-à-vis* East Asia remains ambiguous, attempt to become involved in these integration and community-building processes? With a focus on these issues, my interest in this country continues to grow.

The publication of this book would not have been possible without the guidance, support and encouragement of many people.

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In Bangkok, Associate Professor Nakharin Mektrairat, Dean of the Faculty of Political Science at Thammasat University, kindly accepted me as a visiting fellow at the Faculty. He and Associate Professor Siriporn Wajjwalku were helpful in many ways and I would like to extend my appreciation to them. They made my stay in Bangkok productive and enjoyable. From time to time, I had opportunities to talk with young scholars from the Faculty of Political Science at a Thai restaurant beside the Chao Phraya River. It was fascinating to learn directly from them how the younger generation of Thailand views East Asia, Australia and Japan.

I would like to thank the many people who cooperated with my study. Chapters 6, 7 and 8 of this book rely for their critical parts on interviews with government officials and the representatives of private business organizations in Canberra, Bangkok and Jakarta. I would like to thank all the interviewees by name for their valuable cooperation and input. In most cases, however, I did not because many of them preferred to remain anonymous. Here, I would like to express my deep appreciation to them. In Japan as well, I have been supported by many people. Professor Akio Sawada and the late Professor Margarete Sawada initiated me into the process of writing an academic paper through their supervision of my undergraduate and master's theses. Their academic guidance helped build the foundation of my career as a researcher. The Australian Studies Association of Japan provided me with an opportunity to present the early concept of Chapter 7 at their annual conference in 2003, and I received valuable comments from the members. Professors Satoshi Oyane (Doshisha University) and Teruhiko Fukushima (National Defense Academy of Japan) read all draft chapters and provided me with detailed comments and suggestions. This was helpful in improving the manuscript and I am grateful to them.

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Jiro Okamoto Canberra August 2009