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Regional News

Regional Tolerance of Fires Diminishing
September 27 - October 10th, 1997 -- Sources: Agence France-Presse, The Economist, Kompas, The Nation, Reuters, Wall Street Journal, Utusan

Despite a brief respite from shroud of haze blanketing the region, Indonesia's neighbors are beginning to lose patience over the country's handling of the crisis. In a front page story, the Straits Times asserted, "Indonesia's forest fires are no accident or act of nature.'' The newspaper, which is often used as a sounding-board for the Singapore government, ran a series of satellite photos from the National University of Singapore (NUS) Centre for Remote Imaging Sensing and Processing illustrating that the forest fires were deliberately set to clear land for plantations. The images, according to the Straits Times, disprove the Indonesian government and timber corporation's claims that the fires were not systematically set, but rather were due to drought caused by the climatic phenomenon El Nino. However, the Straits Times obviated the fact that El Nino does not start fires. "Under normal forest conditions, El Nino or no El Nino, it is very difficult to burn the forests because they remain quite wet,'' according to Anthony Greer, a senior lecturer in environmental science. "But in this case, the forests have already been intensively logged, and this makes them easier to burn.''

Also breaking ranks with the "ASEAN way" of non-interference, The Nation (Thailand) branded Indonesian loggers and plantation concerns as environmental terrorists, and Indonesia's government as culpable for the current crisis. The report blasted the article for being "lightning-quick in clamping down on dissidents, yet slow to punish the culprits" of the current haze disaster. The Nation also criticized Malaysian Prime Minister Mahathir Mohamad for being an outspoken critic of Western financiers and governments, while remaining "conspicuously silent" over the crippling haze

caused by Malaysia's neighbor to the south.

Indonesia Responds
September 30, October 1, 1997 - Sources: Agence France-Presse, Wall Street Journal

A week after the unprecedented move by Indonesian President Suharto to publicly apologize for the fires, Forestry Minister, Jamaluddin Suryohadikusumo, admitted responsibility for the widespread fires and, according to the Kompas newspaper, "left his fate in the hands of the president". The Minster claimed he ran into difficulties preserving the forests amid ''pressure to allow forest areas to be converted into plantations''. According the report, the Minister admitted that Indonesian forest policy has been based on short-term economic benefits of forest conversion, as crops planted in former forest areas brought more money more rapidly than wood harvested from forests.

-- The Asian Wall Street Journal also attacked the Indonesian government. According to the Journal, despite a 1995 ban on using fire to clear forests, Indonesian officials have largely ignored ongoing fires due to a recent increase in quotas in lucrative expansion of plantation output in three lucrative sectors: timber products, palm oil and rubber.

-- The AFP reported that several Indonesian NGOs have filed suit against timber companies, seeking compensation in excess of 2.5 trillion rupiah.

Australia, US, Others Offer Assistance
October 1, 1997 - Sources: Reuters, Utusan

Reuters reports that Australia announced plans last week to give Indonesia A$1 million (US$720,000) in medical supplies to respond to the health crisis caused by the persistent haze. A day later, the United States joined Japan, France, Australia and Canada in offering technical assistance in fighting the fires, according to an Utusan report.

Japan, Malaysia, and Thailand to Build Pipeline
October 6, 1997 - Source: Straits Times

According to the Keizai Shimbun, Malaysia has agreed to support a consortium of Japanese and other Asian companies' efforts to build a US$2 billion pipeline across the Malaysian peninsula. The project, to be completed by 2002, will be capable of carrying two million barrels of crude oil a day, and will stretch for 190 km between Alor Star in Malaysia and Sai Buri in Thailand. According to the report, the pipeline's aim is to ease heavy maritime traffic and reducing pollution in the Straits of Malacca, the main shipping route of Middle East crude oil to East Asia.

ABAC Finalizes Report
September 30th, 1997 - Source: APEC Secretariat

The APEC Business Council (ABAC) completed its work on the 1997 Report to APEC Economic Leaders at their annual meeting in Santiago, Chile. According to the APEC press release, the 1997 ABAC report will forward recommendations to leaders on removing barriers to trade, facilitating business travel, increasing private investment in infrastructure, developing stronger capital markets in the region, and expanding business participation in APEC's economic and technical cooperation, or "ecotech" activities. The report will be presented to Canada's Prime Minister, Jean Chretien, and released to the public on November 3rd.

Work Begins on 4,000-km Rail Project
September 30th, 1997 - Source: Associated Press

Officials from eight Southeast Asian states met for a two day meeting in Singapore late last month to examine the feasibility of a Trans-Asia Railway between Singapore and Yunnan Province in China. The railway, which governments expect to spur greater economic growth in the Mekong subregion, is proposed to travel from Singapore through peninsular Malaysia to Bangkok. Three other routes are proposed to continue to China: one via Cambodia and Vietnam, the second through Vientiane in Laos and the third via Burma. Government officials from China, Vietnam, Laos, Cambodia, Thailand, Malaysia, Burma, Singapore, the Association of Southeast Asian Nations Secretariat, and the Economic and Social Commission for Asia and the Pacific attended the meeting.

China

Three Gorges Canal Opens

October 7, 1997 - Source: South China Morning Post, Straits Times

Shipping traffic began navigating the 3.5 kilometer diversion canal of the Three Gorges dam project this week, beginning the latest phase in damming the Yangtze River. According to the report, damming of the river should be completed by early November. Premier Li Peng and other top leaders are expected to attend a ceremony marking the event. The dam will begin generating power in 2003 and be completed in 2009.

PRC to Abolish One-Child Policy

October 3, 1997 - Source: Central News Agency (Taiwan)

According to a Japanese economic daily, China plans to abolish the one-child policy in its 640 cities. The report, cites China's aging population (10% is over 60) and severe Western criticism of the practice as key factors in the decision.

Environmental Waste Trade Now a Felony

October 2, 1997 - Source: South China Morning Post

China has upgraded its Criminal Law to make the illegal export of rubbish to China a felony. Convicted exporters now face a mandatory jail sentence under a charge of "jeopardizing the environment". According to the National Environmental Protection Agency, Chinese officials demanded mandatory jail terms after accusing the US, Russia and Canada of "using China as a dumping site for solid waste".

'New Railway to Bring Jobs, Cleaner Air'

September 29, 1997 - Source: Central News Agency (Taiwan)

According to a CNA report, the Asian Development Bank (ADB) has approved a US$200 million loan for a railway project in Shaanxi Province. The report claims labor and environmental benefits are driving the project as the railroad will produce an estimated 375,000 new jobs, as well as open up low sulfur coal reserves in the province - over 70 percent of China's energy is now in the form of high sulfur coal. The project is to be completed by 2002.

Long March to Modernization

September 29, 1997 - Source: Central News Agency (Taiwan)

According to WTO Director General Renato Ruggiero China will require US$100 billion in imports of equipment and technology to fully modernize the country. "For China, WTO accession is a key element in the domestic reform process -- providing security of access to world markets, binding dispute settlement and a seat at the table as we continue writing the trade rules of the 21st century," Ruggiero said. "We are entering a new world and a new kind of economy -- with great

benefits as well as risks," according to Ruggiero.

Indonesia

Drought Death Toll to 420

October 7, 1997 - Source: Associated Press

According to an AP report, the recent drought in western New Guinea has claimed at least 420 lives. Aid workers report that many of the dead are the young who have succumbed to malnutrition and illness as the dry spell has withered croplands and dried up primary sources of drinking water. "Villagers as a result have become vulnerable to at least five illnesses: malaria, diarrhea, respiratory infections, skin disease and intestinal worms," the official Antara news agency quoted a local official as saying. Furthermore, the report concludes, cold and snowy weather in the mountains has exacerbated the suffering of some villagers.

Japan

Japan Announces Climate Proposal

October 1-10, 1997 - Sources: Asahi Shimbun, Associated Press, Daily Yomiuri, New York Times, Reuters, United Press International

Japan announced its proposal for upcoming climate change negotiations which would require developed nations to cut greenhouse gas emissions by five percent from 1990 levels by 2012. Beyond being far below European Union proposals for a 15% reduction, the plan is remarkable in that it includes an allowance for countries to go below the five percent level if they meet one of three conditions: lower than average emissions per unit of gross domestic product, lower than average emissions per capita, or higher than average population growth. Furthermore, according to the Chief Cabinet Secretary, Kanezo Muraoka, Japan's real reduction target would be just 2.5 percent in terms of relative GDP, because its total emissions are about 50 percent of the average among developed nations. (This falls under the plans first exclusion clause.)

Japanese officials defended their proposal saying the European proposal was just too unrealistic. "We have no intention of changing the proposal and we think it is the best plan," a Trade Ministry official said. "The EU proposal...cannot form the basis of negotiations. So for now, ours is the only real proposal."

According to some officials the plan is a perfect convergence point to begin serious negotiations in December. "Australia attacks us because it's too much and Europe attacks us because it's too little. Somehow we have got to find a compromise,'' said Kiyotaka Akasaka, deputy director-general of the Foreign Ministry's multilateral cooperation department. The Intergovernmental Panel on Climate Change, a body of 1,500 scientists, has demanded cuts of 50-70 percent. The European Union seeks a 15 percent cut, Australia 1.8%, and the United States has yet to announce its proposal.

Unsurprisingly the compromising plan has come under harsh criticism from the European Union, media, and environmental groups. "We don't think it's sufficient and we will try to persuade Japan to accept a more significant reduction," said a spokesman for Britain's Department of Environment. Similarly, NGOs called into question Japan’s ability to host the upcoming climate talks. "If it sticks to this proposal Japan should lose its right and qualification to host this convention," said Noriko Oyama, of Greenpeace Japan. The Kiko Forum '97, a coalition of 155 Japan non-governmental and non-profit organizations, said on Monday that Japan's proposal would cause the Kyoto conference to end in failure.

The United States, in a possible portent of its proposal, came out in support for the Japanese position. "We think Japan did a very careful job of putting out what's doable and feasible," Undersecretary of State Tim Wirth told a US Senate Foreign Relations subcommittee. Wirth, the US point person on the upcoming climate change negotiations, said Japan's plan was realistic, while the EU's proposal remained "fuzzy" and unrealistic. Meanwhile, Australia warned that Japan's plan would create enormous costs for Australia. "These (Japan's targets) are simply not achievable without enormous economic costs for Australia," Prime Minister John Howard told a gathering of business leaders following the announcement.

Japan Proposes Secret Ballot at Whaling Meeting
October 1, 1997 - Source: Daily Yomiuri

The Daily Yomiuri reports that the Japanese government is planning to call for a secret ballot at the International Whaling Commission's annual general meeting to be held October 20-24 in Monte Carlo. According to the report, Japan plans to call for the hidden voting system so that countries "feel less pressure" from other countries and environmental groups. However, Japan faces an uphill battle as only seven of the 39 participating countries support whaling. Furthermore, Ireland--which had recently been neutral on the topic--is expected to propose that whaling for research purposes also be banned and that the sanctuary be expanded to include all open seas outside 200-nautica--mile economic zones.

Korea

Environment Ministry Seeks to Enact `Anti-Odor' Law
October 9, 1997 - Source: Korea Herald

According to the Korea Herald, the Environment Ministry is seeking to enact an "anti-odor" law in response to rising complaints against "foul-smelling factories near residential areas". The Ministry announced that it will start consultations with other related ministries and businesses early next year to prepare the legislation. The report noted that during the first half of the year 160 complaints of "bad smell" were reported to the ministry from residents living near industrial complexes. Officials reported that 4,400 businesses nationwide are on the watch list for emitting bad odor, and 514 are being closely monitored by the ministry. "Short-term measures such as relocating residents are not sufficient to cope with the related complaints. We need long-term measures like the anti-odor law," according to a Ministry spokesperson. The report did not clarify the toxic load or human or ecological health implications of "bad smelling air".

Boycott of US Goods Launched
October 7, 1997 - Source: Korea Herald

In response to US sanctions on Korean beef and automobiles, a nationwide campaign to boycott American consumer products was launched this week. The Citizens Movement Against Over-Consumption, a coalition of 40 religious and civic groups, held a rally in Seoul, resolving to carry out an immediate consumers' strike. "According to our surveys, sales of U.S. goods at many stores here have declined since it announced that Korea will be the target of a Super 301 investigation,'' said a coalition spokesman.

The group delivered a letter of protest to an official of the embassy, addressed to U.S. President Bill Clinton saying, "If your nation does not withdraw the Super 301 investigation, which goes against international trade norms and also damages Korean-U.S. relationships, we will continue the anti-U.S. goods campaign indefinitely by mobilizing every possible means."

Laos

Exotic Fish Threaten Local Species

October 1, 1997 - Source: South China Morning Post

The introduction of exotic fish species, along with overfishing and habitat destruction, are decimating the Laotian fish populations, according to a South China Morning Post report. The report, however, cites the introduction of farm-raised species such as the common carp and tilapia as the primary factor contributing to the loss indigenous species. "Ten to 15 Mekong species are facing extinction," according to one expert. "There may come a point where these species - not found anywhere else - can only be saved by induced breeding and restocking them in other water bodies." Lack of knowledge in methods to breed indigenous species, and an apparent lack of understanding of the composition and number of indigenous species are hampering efforts to curb the decline.

NGOs Pressure Bank on NT2

September 24, 1997 - Source: The Nation

Late last month, NGOs stepped-up their efforts to halt the proposed Nam Theun 2 dam project in Laos. In a letter to World Bank President James Wolfensohn, Witoon Permpongsacharoen, the Director of TERRA, questioned the bank's role in providing political and technical support for the proposed hydroelectric dam, which local groups claim is not in Laos' environmental, social, or economic interests. "We're concerned that the bank is helping the Nam Theun Electric Consortium transfer risks which they should rightfully bear by themselves to the people and the government of Laos," Witoon said. "This strategy is even less valid given Thailand's economic slowdown and the resulting decline in the demand for new sources of electricity," the letter stated.

United States

Fast-Track Moves Ahead

October 8-10, 1997 -Source: New York Times, Washington Post

After a late-night drafting session to strike a compromise bill and subsequent passage through the House Means and Ways Committee, the Clinton Administration is one step closer to a decisive congressional vote on approving presidential - "fast track" - trade negotiating authority. The Committee vote, an apparent victory, is however marred by Clinton's failure to gain the support of a majority of the panel's democrats. A crucial effort, according to analysts, to ensure the bill's survival in congress.

Using language similar to a bill unanimously approved by the Senate Finance Committee last week, the bill includes a clause on the President's obligation to negotiate labor and environmental issues "directly related" to trade. However, this was not enough to win over enough Democrats in the 24-14 vote. A Democratic amendment that would have given the President broader authority to negotiate on environmental and labor issues, and empowered the government to impose sanctions on those that subsequently violated agreements in those areas, was rejected by the Committee.

US Climate Conference

October 1 - 10, 1997 - Sources: Associated Press, Environmental News Service, New York Times, Reuters, Washington Post

Opening a conference on climate change, US President Clinton urged Americans to recognize the urgency of the warming as an urgent issue, saying, "It would clearly be a grave mistake to bury our head in the sand and pretend the issue will go away." Clinton made the comments at the White

House Conference on Global Warming at Georgetown University October 6th - coincidentally, the hottest October 6th on record for Washington, DC. The conference was called to help the administration - which Clinton admits is divided on the issue - develop a negotiating position for global climate treaty talks scheduled to end in December

Although details of the US plan are not yet available, Clinton said the US will make an "equitable reduction" in its greenhouse gas emissions if other nations follow suit. One component of the US climate proposal was unveiled at the conference: a nine country, US$1 billion initiative to reduce greenhouse gas emissions and vulnerability to the effects of climate change. The plan, developed by the U.S. Agency for International Development (AID), plans to spend $750 million in grant aid and $250 million in loans or loan guarantees over five years. According to AID at least 40 percent of the funds will be targeted at the countries of Russia, Ukraine, India, Brazil, Mexico, Indonesia, Poland, the Philippines and South Africa.

Clinton proclaimed the gathering of scientists, industry executives, environmentalists and economists a success in developing strong US policy on climate change. "My hope is that we will take advantage of this forum to actually talk with each other rather than past each other. For it is our responsibility to work together to achieve two vital and compatible goals, ensuring the continued vitality of our planet and expanding economic growth and opportunity for our people," Clinton said.

Australia & US Agree on Climate
October 9, 1997 - Source: Environmental News Service

At the annual US/Australia Ministerial consultation, Australia and the United States agreed that the European Union climate change target proposal is "neither feasible, equitable or achievable". In a communiqué from U.S. Secretary of State Madeline Albright and Secretary of Defense William Cohen and their counterparts Australian Foreign Minister Alexander Downer, and Defense Minister Ian McLachlan the two countries outlined their concern over climate change and agreed to pursue an outcome from the current negotiations which would produce "the highest level of net reduction in global greenhouse gas emissions."

"The situation, of course, at present is still fluid, but today we did make some real progress," said Australian Foreign Minister Downer. "Points on which agreement was reached include that developing countries must be included in any ultimate solution; that both sides expressed concern about the European Union's proposal; and we note that the United States recognizes the special needs and circumstances of the Australian economy. We've agreed to work together very closely in the lead up to the Kyoto Conference."

U.S. Secretary of State Albright said, "We do understand the special needs and circumstances of Australia, but we have not yet come to an agreed position, as far as the Kyoto summit is concerned. I think that it was very clear that each country has a different need. On the other hand, there is a common problem that is now recognized, and there is the necessity of working out a process that allows us to deal with that common problem. We do see Kyoto as a very important step in trying to resolve the climate change issue that's going to be with us for some time."

US to Sell Riot Gear to Hong Kong
October 7, 1997 - Source: New House News Service, San Jose Mercury News

According to the San Jose Mercury News, the Clinton administration has authorized U.S. manufacturers to sell US$ 85.7 million dollars worth of police and riot-control gear to Hong Kong. Equipment approved for export to Hong Kong includes 16 million rounds of small-arms ammunition, chemical agents, chemical-agent dispensing equipment, riot-control equipment, voice scramblers

and cryptographic equipment for coding and decoding secret communications, according to State Department documents. A senior Pentagon official expressed surprise when informed of the Hong Kong export license approval. "You would expect this sort of thing to be canceled after the end-user changed,'' said the official, referring to the change from British to Chinese rule. "I think it sets a bad precedent,'' said Miriam Young, director of the private Asia Pacific Center in Washington.

Clinton Pushes for Food-Safety System
October 3, 1997 - Source: New York Times

In response to several disease outbreaks linked to the burgeoning global trade in produce, US President Clinton announced that he will push Congress to require federal regulators to ban imports of fruit and vegetables from countries who do not meet US food safety standards. "At the time when Americans are eating more and more food from around the globe, we must spare no effort to insure the safety of our food supply from whatever source," Clinton said at a Rose Garden ceremony to announce his proposals. "Our food safety system is the strongest in the world, and that's how it's going to stay." According to the report, imports of produce have increased to 38 percent of the fruit consumed by Americans and 12 percent of the vegetables. The proposed regulations would resemble existing inspections of foreign meat and poultry products imported to the US.

US APEC Position
September 30, 1997 - Source: United States Information Agency

In comments to the 12th Pacific Economic Cooperation Council (PECC) meeting in Santiago, Chile, President Clinton's special envoy to the Americas, Thomas "Mack" McLarty, outlined the United State’s position towards APEC and upcoming meeting in Vancouver.

McLarty said that although the US primary interest in APEC is economic, the forum means much more to the interests of the United States. According to McLarty: "APEC anchors in many ways the United States in Asia. It certainly reinforces multilateral and bilateral efforts to open markets. It provides high-level interaction with members such as China, Japan, and most of the ASEAN nations. And it bolsters environmental sensitivity among developed and developing nations alike."

McLarty outlined four key goals the United States will pursue in the upcoming APEC meetings in Vancouver:

-- to build on the success of the ITA by identifying sectors for liberalization to demonstrate that "APEC is capable of concretely moving forward on its market opening ideas year-by-year".

-- to promote financial stability and restore economic growth in Southeast Asia.

-- to help "APEC to establish a market-driven model for the future development of electronic commerce by identifying and tackling issues "ranging from tariff levels to intellectual property rights which are vital to continued expansion of this electronic commerce industry".

-- to promote "thoughtful, sustainable development," public-private cooperation to "develop infrastructures necessary to meet this region's growing energy demands in environmentally-sound ways, and we also want to expand the very natural market for environmental goods and services".

According to McLarty, APEC's eighteen member economies produce a combined GDP of just over US$13 trillion - about 55 percent of the total world income and 46 percent of global trade. US trade with APEC members accounted for about 65 percent of our total trade in 1996, over $920 billion dollars. "Opening markets among APEC nations would likely increase U.S. goods exports alone by some 13 percent annually -- rather incredibly, a doubling of goods exports every six years," McLarty

concluded.

Connectivity is a bi-monthly information service reporting on trade, environment and development issues in the Asia-Pacific. The *Monitor* is emailed to members of the ***Asia Pacific Regional Environment Network*** (APRENet). To register for this free service please fill out the on-line registration form at or send email to nautilus@nautilus.org

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