

Legal Problems in International Trade Spawned by the Asean Free Trade Area (AFTA)

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In place of military dominance, the leaders of the world are riveting their attention towards economic pre-eminence whereby the traditional rich countries continue to produce the dominant world products and technologies while newly industrializing countries are emerging. These newly industrializing countries serve as role models for any developing country, in the developing country's fervent effort to increase its share in the world market. The basic principle that "a country that produces more and sells more takes center stage" has intensified competition for more trade and has lured business in many creative ways such as the creation of autonomous foreign trade zones and free ports.

Part I of the Lecture reveals that the promotion of international trade has evolved from single country effort to regional trade blocs such as the Asean Free Trade Area (AFTA). The AFTA is a safeguard of ASEAN's collective interest in response to the formation of large and powerful economic groupings among the developed nations. Part II of the Lecture provides the features of the AFTA. In Part III, the Lecturer focuses on the adverse effect of trade blocs. While the creation of regional blocs (like the AFTA) is an intermediate step of protection against the adverse effects of trade liberalization, there is a need to review, update, and harmonize the laws, regulations, and adjudicatory systems of AFTA's member countries. The Author reasons that this is because AFTA is not an end in itself, but merely a preparation to enable the ASEAN to compete in the world of economic giants.