

ND96 (F)

ASEAN-MAHATHIR
FROM K.C. LEONG AND ENDOT YUSOF

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BANGKOK, OCT. 25 (BERNAMA) — ASEAN COUNTRIES SHOULD EXPEDITE THE EXPLORATION OF NON-OIL BASED ENERGY RESOURCES TO COPE WITH THE INCREASING DEMANDS TO SUSTAIN THEIR ECONOMIC DEVELOPMENT DRIVES, DEPUTY PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD SAID TODAY.

THEY SHOULD LOOK INTO OTHER SOURCES OF ENERGY SUCH AS COAL AND HYDRO POWER SO AS TO BE LESS DEPENDENT ON OIL WHICH WAS BECOMING A SCARCE COMMODITY, HE ADDED.

+ALSO, WE HAVE A LOT HYDRO ELECTRIC POTENTIAL WHICH IS NOT TAPPED AND IF WE SHARE OUR HYDRO ELECTRIC POTENTIAL THEN THE DEVELOPMENT OF BIGGER PROJECTS IN ASEAN MIGHT BECOME FEASIBLE, + HE TOLD MALAYSIAN REPORTERS AFTER THE 10TH ASEAN ECONOMIC MINISTERS' MEETING.

+SUCH ENERGY SHARING CAN BE DONE IN SARAWAK WHERE THE HYDRO-ELECTRIC POWER COULD BE SUPPLIED TO KALIMANTAN FOR USE BY THE INDONESIANS, + HE SAID.

DATUK SERI DR. MAHATHIR SAID THAT THE HYDRO-ELECTRIC POWER IN ASAHAN, SUMATRA, COULD BE SUPPLIED TO PENINSULAR MALAYSIA VIA THE STRAITS OF MALACCA. —BERNAMA MORE HM 2220

ND87: (F)

ASEAN-MAHATHIR 2 BANGKOK

MALAYSIA WAS CURRENTLY SHARING ELECTRICITY WITH SINGAPORE AND THAILAND AT THE BORDER AREAS.

DATUK SERI DR. MAHATHIR ALSO SAID THAT THE FEASIBILITY OF ASEAN PROJECTS WOULD HAVE TO BE FIRST DETERMINED BEFORE THEY WERE ANNOUNCED.

+WHEN WE MAKE A DECISION WITHOUT KNOWING WHETHER A PROJECT IS FEASIBLE OR VIABLE THERE IS BOUND TO BE DIFFICULTIES, + HE ADDED.

REFERRING TO ASEAN INDUSTRIAL PROJECTS, HE SAID THESE WERE

THE FIRST ONES AND NATURALLY THERE WERE A NUMBER OF PROBLEMS TO BE LOOKED INTO.

+EVEN THE NEGOTIATIONS ON THE FINANCING OF THE PROJECTS HAVE BEEN VERY PROTRACTED BECAUSE THE JAPANESE PRACTICE IS TO HAVE SEPARATE NEGOTIATIONS WITH DIFFERENT ORGANISATIONS IN ORDER TO FINALISE THE LOANS AND THIS HAS TAKEN A LOT OF TIME+.

— BERNAMA MORE 2214/ZCM

ASEAN-MAHATHIR 3 BANGKOK

ON THE FINANCING OF ASEAN INDUSTRIAL PROJECTS, DATUK SERI MAHATHIR SAID THERE HAD BEEN COST OVERRUNS AND IT WAS LIKELY THAT THE ALLOCATION OF US\$1 BILLION (ABOUT M\$2.1 BILLION) WHICH JAPAN PROMISED WOULD NOT BE ENOUGH TO COVER THE LOAN COMPONENT FOR THE FINANCING OF ALL THE FIVE ASEAN PROJECTS.

+SO THERE IS A NEED TO RAISE LOANS ELSEWHERE,+ HE SAID.

HE SAID THAT ASEAN HAD HELD DISCUSSIONS WITH THE EUROPEAN ECONOMIC COMMUNITY (EEC) IN THE HOPE THAT THEY MIGHT PROVIDE SOME OF THE FUNDS.

HOWEVER IT WAS CLEAR FROM THE DISCUSSIONS THAT THE EEC WAS ONLY WILLING TO HELP ASEAN RAISE LOANS ON THE COMMERCIAL MARKETS BUT NOT TO PROVIDE THE FUNDS ITSELF.

DATUK SERI DR. MAHATHIR ALSO MADE A STRONG CALL AT THE MEETING FOR THE DEVELOPMENT OF INTRA-ASEAN SHIPPING WITH THE AIM OF LOWERING THE FREIGHT CHARGES RATES. — BERNAMA MORE 2217/ZCM

ND39: (F)

ASEAN-MAHATHIR 4 BANGKOK

THE FREIGHT RATES BETWEEN ASEAN COUNTRIES AND WITHIN ASEAN COUNTRIES WAS RATHER ANOMALOUS AND WAS A SITUATION WHICH SHOULD NOT BE ALLOWED TO PERSIST.

FOR EXAMPLE, HE ADDED, IT COST AS MUCH TO TRANSPORT GOODS FROM KOTA KINABALU TO PENINSULAR MALAYSIA AS FROM PENINSULAR MALAYSIA TO THE UNITED STATES.

+THIS IS BECAUSE OF VERY POOR SHIPPING FACILITIES AND IT IS NECESSARY FOR ASEAN TO DEVELOP GOOD FREIGHT SERVICES

BETWEEN DIFFERENT PLACES IN THE REGION TO LOWER THE COST OF TRANSPORTATION WITHIN ASEAN, + DATUK SERI DR. MAHATHIR ADDED.

ON CAPITAL PARTICIPATION OF ASEAN, HE SAID THAT +ONCE WE IDENTIFY THE NEEDS AND THE ROUTES OF THE SERVICE THEN WE CAN WORK OUT HOW ASEAN CAN PARTICIPATE IN INTRA-ASEAN SHIPPING.+

DATUK SERI DR. MAHATHIR ALSO SAID THAT THAILAND WAS SATISFIED WITH THE HELP EXTENDED BY MALAYSIA IN MEETING ITS REQUEST FOR OIL AND OIL PRODUCTS. — BERNAMA MORE 2222/ZCM

NO90 (F)

ASEAN MAHATHIR 5 BANGKOK

MEANWHILE, A JOINT STATEMENT ISSUED AFTER THE MEETING SAYS THAT INDONESIA HAS OFFERED TO CONSULT OPEC COUNTRIES IN THE GULF AREA FOR ADDITIONAL OIL SUPPLIES TO ASEAN COUNTRIES TO MAKE UP FOR THE SHORTFALL CAUSED BY THE IRAN-IRAQ CONFLICT.

THE MEETING ADOPTED THE REPORTS OF ITS FIVE COMMITTEES AND APPROVED A NUMBER OF RECOMMENDATIONS.

AMONG THEM WERE THE APPROVAL OF TARIFF PREFERENCES ON 1,500 ITEMS UNDER THE PREFERENTIAL TRADING ARRANGEMENT (PTA), BRINGING THE TOTAL TO 5,825 AS WELL AS TO INCREASE THE TARIFF CUTS UNDER THE PTA FROM 10 PER CENT TO 20 OR 25 PER CENT.

ON THE PROPOSAL TO RAISE THE CEILING OF ITEMS TO QUALIFY FOR THE TARIFF CONCESSIONS OF 20 PER CENT FROM THE PRESENT US\$50,000 (ABOUT M\$105,000) TO US\$100,000 (ABOUT M\$210,000) OR US\$200,000 (ABOUT M\$420,000) OR US\$500,000 (ABOUT M\$1.05 MILLION)

THE MINISTERS ASKED THE COMMITTEE ON TRADE AND TOURISM (COTT) TO CONSIDER THE IMPLICATIONS OF SUCH AN INCREASE.

THE MEETING ALSO ADOPTED THE GENERAL GUIDELINES ON ASEAN INDUSTRIAL COMPLEMENTATION TO FINALISE THE BASIC AGREEMENT FOR INITIATING AT THE NEXT ASEAN ECONOMIC MINISTERS' MEETING IN INDONESIA.

—BERNAMA MORE HM 2240

ASEAN-MAHATHIR 6 BANGKOK

THE FIRST PACKAGE OF THE ASEAN AUTOMOTIVE COMPLEMENTATION SCHEME WAS ALSO APPROVED ALLOCATED WHICH MALAYSIA TO PRODUCE DIESEL ENGINES OF 80 TO 135 HORSEPOWER.

THE SECOND PACKAGE WAS APPROVED WHICH ALLOWED MALAYSIA TO PRODUCE HEADLIGHTS FOR MOTOR VEHICLES, INDONESIA STEERING WHEELS, THE PHILIPPINES HEAVY-DUTY REAR AXLES, SINGAPORE FUEL INJECTION AND THAILAND CARBURETTORS.

THE MEETING ALSO NOTED THE PROGRESS OF ECONOMIC CO-OPERATION BETWEEN ASEAN AND THIRD COUNTRIES AND INTERNATIONAL ORGANISATIONS.

—BERNAMA HM 2245

ASEAN-MAHATHIR 7 BANGKOK (REOPEN ITEM 86)

MEANWHILE, IN KUALA LUMPUR, THE DEPUTY PRIME MINISTER TOLD NEWSMEN ON HIS RETURN THAT THE MEETING ON THE WHOLE WAS SUCCESSFUL IN FOSTERING CLOSER CO-OPERATION AMONG THE MEMBER COUNTRIES.

THERE WAS NO "CONTROVERSIAL ISSUE" AT THE TWO-DAY MEETING, HE ADDED.

HE WAS RECEIVED BY THE MINISTER OF FEDERAL TERRITORY, DATUK AMAR HAJI TAIB MAHMUD, AND SENIOR OFFICIALS OF THE TRADE AND INDUSTRY AND FOREIGN MINISTRIES.

—BERNAMA HM 2245

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