

# Dr M: Heed the winds of change...

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**DATUK Seri** Dr Mahathir Mohamad yesterday pinpointed factors which should persuade South Korean industrialists and businessmen to be "more intimately involved" with Asean's economic progress, adding that a close relation would benefit both parties greatly.

The Deputy Prime Minister urged the South Koreans to respond to the shift taking place among Asean states from being mere producers of raw materials to processors as well.

Speaking to delegates attending the conference of business leaders from South Korea and Asean in Kuala Lumpur, Dr Mahathir said:

"The most important of these factors is a switch in the policy of developing nations producing raw materials. They no longer agree to be mere producers of raw commodities but want to be processors as well.

"Any country that helps the Asean countries to go into processing would have a share in the industry even if their own industry at home is deprived of the raw materials later," he stressed.

Apart from diligent and enterprising man-

power, Dr Mahathir said South Korea is generally poor in natural resources. Therefore, a "marriage" of Asean resources with South Korean manpower would be beneficial.

The markets that South Korea might lose if Asean restricts raw material export can continue to be partly Korean if Koreans invest in Asean.

He went on to list some of the raw materials available in Asean which range from tin to cocoa and from rubber to gold which were bound to be exploited.

Dr Mahathir also reminded the South Koreans of the energy resources available in Asean, which the republic is currently importing at great costs.

South Korea, he added, would save a lot in terms of costly imported oil if its energy-intensive industries and those using gas as basic raw material are located in Asean countries.

He also highlighted the relative shortage of labour in South Korea. He advised the South Koreans not to waste their skillful workers on low value added manufacturing activity.

"It pays therefore to

shift some of the primary and relatively simple manufacturing activities to Asean states which are still keen on labour intensive industries," he said.

Asean, Dr Mahathir said, still requires technical know-how and would welcome it from whatever source, including South Korea, which has succeeded in developing indigenous technology.

He also chided the South Koreans for not having given enough attention to Asean as a market outlet. "If South Korea can successfully compete in the American and European markets, there is no reason why Korean goods cannot win acceptance in the Asean market," he said.

The prosperity of Asean would also mean the opening up of a vast new market for South Korea to compensate for whatever minute competition that Asean may pose in other markets, he said.

Datuk Syed Kechik, chairman of the Syed Kechik Holdings, co-sponsor of the conference, praised South Korea for its remarkable economic growth.

This was made possible by hard work, ingenuity and the tenacity of its people. These quali-

ties, he insisted, were indeed exemplary.

Datuk Syed Kechik said: "The performance of South Korea in its industrialisation programme, its urban and rural development practices and its technological innovation, have earned a high reputation for advancement in social and economic fields.

"There is therefore much mutual benefit for Asean and South Korea in cooperating with each other," he added.

The delegates at the meeting were convinced by the need for closer cooperation and better relations between South Korea and the Asean five.

Their sentiments were reflected by the chairman of the Federation of Korean Industries, Mr Chung Ju-Yung, who said that elements of confusion were impeding the restoration of the international order.

Protectionism and restrictions undermine free trade, Mr Chung stressed. Until and unless region-to-region and state-to-state cooperation were substantially strengthened, these bottlenecks would continue to stand in the way of economic development and prosperity, he warned.