

Let's aim to be No 1 tyre maker

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— MAHATHIR

KUALA LUMPUR, Mon. — Malaysia has ambitions 'to become the biggest producer of rubber tyres in the world, Prime Minister **Datuk Seri Dr Mahathir Mohamad** said today.

He said this dream was not inconceivable as Malaysia had the advantage of lower raw materials and labour cost, together with the economies of scale possible for a world supplier.

"With these advantages, it is not impossible for Malaysia to capture a substantial portion of the world market," he said in his keynote address at the *Asean, Australia and Japan — Break-*

ing Down the Barriers symposium here.

The one-day symposium is held by *The Australian Financial Review*, *The Nihon Keizai Shimbun* and *Business Times* will discuss among other things the subject of tariff protection, political, social and financial barriers, their implications and whether they could be lowered.

Dr Mahathir said that if, for a start, Australia and Japan bought tyres from Malaysia, not only would the balance of payments be corrected, but the two countries would not just be importing raw materials from Malaysia.

In addition, earnings from

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higher value exports would enable Malaysia to buy more goods from Japan and Australia.

He gave an assurance there was no way Malaysia could become so industrialised that it would not need to import manufactured goods from Japan and Australia.

This idea, he said, might be a pipe dream but he added that dreams should be dismissed simply because they seemed far fetched at the moment.

He added that if this ample was multiplied by six with different commodities, the volume of trade between the Asean countries and Australia and Japan could be greatly increased and better balanced.

difficult and tariff and non-tariff barriers gradually dismantled.

Instead there should be positive efforts made to ease the entry of manufactured goods from Asean into both countries.

He suggested that where manufacturing was done by joint venture companies involving either Japan or Australia with Asean, buy-back arrangements should be encouraged in order to provide ready markets which in turn would support large scale production.

On shipping Dr Mahathir said Asian countries must be given a fair share in the carriage of goods between them and Japan and Australia.

He said some form of joint operations of shipping lines should be attempted. "Ships plying between Asean and Japan plus

Dr Mahathir also hit out at Australia and Japan for favouring protectionism which he regarded as "strange sentiments" considering that both countries were affected by American and European protectionism.

"One would think that being victims of protectionism, both would sympathise with the Asean countries' infantile steps towards manufacturing goods. But the fact is that protectionism is very strong especially in Japan."

If there is to be meaningful economic relations between Australia, Japan and Asean, protectionism, he said, must be reduced or mo-

Asean and Australia should be pooled and manned by mixed crews. Dr Mahathir said air services should also be liberalised and more landing rights and joint operations given.

He said the rigid criteria for landing rights normally applied to airlines of developed countries should not be applied to the developing countries of Asean.

On the symposium, Dr Mahathir said the meeting was timely as there was a critical need for Asean to seek new frontiers to promote sustained growth since the old established industrial nations can no longer be relied upon, exclusively to provide the engine of growth in world trade.

He said the growing importance of the Pacific region also made it imperative that Asean meet with its neighbours to ascertain how best to work together for mutual benefit.