

# Wanted — new

NST - 8 FEB 1983

# Asean spirit

**KUALA LUMPUR, Thurs. — Asean's accomplishments in trade and economic co-operation are unsatisfactory, the Prime Minister said today.**

Datuk Seri Dr Mahathir Mohamad suggested that the organisation reflect on what it had achieved so far.

Trade among member countries is still relatively small, accounting for only about 20 per cent of Asean's global trade. It is even smaller if the entrepot trade through Singapore is excluded.

The grouping's trade, covered by the Asean Preferential Trading Agreement (PTA), represented only a fraction of the total intra-Asean trade.

The Prime Minister was delivering a keynote address at the opening of the three-day Asean Economic Ministers meeting this morning.

The meeting is being attended by delegations from Brunei Darussalam, led by the country's Minister of Development Pehin Datuk Abdul Rahman Taib; Indonesia by Professor Dr Ali Wardhana, Minister Co-ordinator for the Economy, Finance and Industry and Development Supervision; Philippines by Mr Roberto V Ongpin, Minister of Trade and Industry; Singapore by Dr Richard Hu, Minister of Trade and Industry; Thailand by Mr Sommai Hoontrakool, Minister of Finance; and, Malaysia by Tengku Razaleigh Hamzah, Minister of Trade and Industry.

## Meetings

Dr Mahathir said that since the historic Bali Summit in 1976, there had been a proliferation of committees set up with the idea of enhancing Asean co-operation.

Countless meetings were convened and the Asean economic ministers are now meeting for the 17th

## Priority for intra- Asean trade

NST - 8 FEB 1983

### ● FROM PAGE ONE

Dr Mahathir suggested that the Asean Secretariat consider setting up a data bank covering such areas as export and import items in addition to economic indicators, tariffs, tax structures and non-tariff legislation,

overwhelming need to earn foreign exchange, we have no choice but to continue producing. Our only consolation is that in a recession even the most sophisticated products can suffer the same fate."

### Succumb

Dr Mahathir said intra-Asean co-operation on commodities should not be ignored and added that the combined production of certain commodities by the Asean countries was such that its voice carried considerable weight in commodity agreements.

He was not suggesting the formation of cartels but there was no reason why Asean should not use its combined strength to influence its trade.

"The developed world is

time.

"Undoubtedly all the above inputs were aimed at achieving our ideal of increased trade and economic co-operation. The PTA now includes an impressive list of more than 18,000 items.

"Other areas of co-operation such as food, science and technology, energy, health, transport and communication have also been laboriously discussed at meeting after meeting.

"However, the fact remains that trade among Asean countries is still relatively small."

Dr Mahathir said he was aware that similarities in the economic structures of member countries had to a certain degree made them potential competitors rather than partners.

Economic conditions had ruled out any common market-type arrangement.

"But there are many areas where we can achieve some degree of complementarity. I believe that we should now seriously examine the areas for common endeavour. We need a new and more serious commitment in developing our economic co-operation."

To do this, member countries should try to know one another better, beginning perhaps by exchanging more information on trade.

Research and analysis based on this information could identify items which could be literally exchanged.

"I am not suggesting barter or counter-trade but surely there must be quite a number of items which each one of us needs but which we obtain from outside Asean.

"Yet there are members of Asean currently producing these items. The volume that we buy from each other can be counter-balanced. That way no one will be the loser and total intra-Asean trade will gain."

★ SEE PAGE 2, COL 6

The secretariat could play a pivotal role in this regard and should give intra-Asean trade top priority.

Dr Mahathir also touched on commodities which he defined as being not only naturally produced agricultural and mineral products but also undifferentiated manufactured products.

The definition is necessary because the developing countries "are being persuaded more and more to buy and put up plants which produce manufactured commodities in excessive quantities."

Plant fabricators made a lot of money up front while excessive production ensured that the particular commodity flooded the market with the expected results.

He said there was no doubt that commodities would continue to feature as an important component of Asean's economies, especially from the view point of contribution to export earnings.

"In recent years, commodity prices have been adversely affected by structural changes and recessionary conditions in the world economy. As a result commodity producers faced problems of achieving reasonable returns. Indeed, in some instances the more we produce, the more we lose.

"But faced with closure and unemployment and the

doing the same when they talk of market forces. Those forces are located in their countries and are controlled by them. Asean co-operation in commodities will actually be defensive. Divided, we will succumb one by one. United, we will stand a reasonable chance."

Although the Japanese, European and American Governments seemed to be fighting one another over trade, their big manufacturers were actually collaborating.

According to a book by Kenichi Ohmae of Mackinsey Business Consultants which will be published soon, it would appear that the three powerful economies had actually divided the international marketplace among themselves with Southeast Asia going to the Japanese, West Asia and Africa to the Europeans and Central and South America to the United States.

"How do we fight this if we compete against each other excessively in the international marketplace?"

Dr Mahathir said that despite Asean's appeals to the developed consumer countries to work together with the South in the spirit of economic interdependence, it was the efforts of the producers themselves which would ultimately determine the fate of its commodities.