

NEED FOR GROUP EFFORT IN TRADE

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KUALA LUMPUR, Sat. — The Prime Minister today emphasised the need for Asean Governments to look at the strategy and priorities of their economic co-operation.

Datuk Seri Dr Mahathir Mohamad said that with the prolonged slowdown and disruptions of the international financial and trading systems, it was imperative that Asean should clearly establish a firm commitment to co-operate economically.

He said the objective of Asean to promote economic co-operation remained largely to be fulfilled.

"To say the least, the progress achieved by Asean's collective efforts in the three areas of trade and investment, industrial development and financial co-operation is quite insignificant when compared to the potential," he said when opening the 7th Asean Chambers of Commerce

"But the combined purchasing power of Asean could," adding that if members accepted the principle of division of labour, they could get the advantage of scale, without losing the pace of their national development and progress.

He said the complementarity in the motor-car industry was the most attractive proposition.

The components, he said, could be manufactured in six different countries on the scale to serve the entire Asean market while the assembly could be done in the

PM: Imperative for Asean to co-operate economically

and Industry conference at the Shangri-La Hotel.

He added that the Asean preferential trade agreement (PTA) was a futile exercise while the Asean industrial projects, the Asean industrial complementarity scheme and the Asean joint ventures had much room for improvement.

Nationalism

Although statistics showed that there was an increase in intra-Asean trade over the last 10 years, Dr Mahathir said this had been more due to diversion evolving out of supply and demand patterns rather than the outcome of any designs such as the PTA.

The Prime Minister

to be marketed.

Malaysia, he added, would continue to require imported components in the production of its national car but "we would rather obtain these components from Asean countries if there is reciprocity in one form or another".

"The fact that we have gone ahead with producing our own car does not mean we have abandoned the concept of Asean complementarity."

The Prime Minister also urged the private sector to play its role to make Asean economic co-operation meaningful

felt that some form of co-ordination in production and marketing of primary commodities was necessary among member countries and warned that failure to co-ordinate would only result "in the sweat of our labour being enjoyed by the rich countries".

"Without some form of understanding and co-operation among the producers of primary commodities, the chances are that we will be manipulated to our disadvantage.

"We will be forced to sell more and more in order to purchase less and less of the capital goods and manufactures that we need."

However, the Prime Minister said the aim of

co-operation should not be to establish a cartel but directed towards nationalism, research and promotion.

Dr Mahathir was confident that within the prevailing circumstances, opportunities existed for Asean economies to harmonise and dovetail, if not to integrate.

Attractive

"Together with complementary industrialisation, this approach should result in Asean becoming a strong economic bloc without the rigidity of the EEC agreements," he said.

He added that there must also be greater co-operation in the field of complementary manufacturing as it offered enormous scope for Asean countries.

He said the purchasing power of each of the Asean countries was not big enough to support major industries on a scale that would be viable.