

# Mahathir: Asean oil co-operation needed

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THERE is a need for Asean countries to co-operate in the field of petroleum despite conflicting interests, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

Opening the four-day Third Asean Council of Petroleum Conference and Exhibition (Ascope) in Kuala Lumpur, Dr Mahathir said it would be difficult for the Asean

grouping to find common ground where petroleum was concerned but things could still be worked out.

The Asean grouping was peculiar where petroleum was concerned in that three members — Indonesia, Brunei and Malaysia — were not only self-sufficient but were actually net exporters, while three others were importers of

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petroleum and related products.

In addition, Singapore, although a non-producer, is the third biggest petroleum refining centre in the world.

"Our interests must of necessity differ. Indeed they are in conflict.

"The fact that we agree to have an Asean Petroleum Council implies that there is some common interest, or at least some need to co-operate.

"It is important to remember this if we are not to end up pulling in different directions."

price saying that the move stopped big petroleum companies from continuing to make huge profits at the expense of the producing countries and enabling countries like Malaysia to venture into oil production.

However, he stressed that continually fluctuating oil prices and the dithering American dollar exchange rates neither benefit petroleum exporting nor consuming countries.

What would be mutually beneficial was the stability of both the oil price and the American dollar to which the commodity was tagged.

Dr Mahathir was optimistic that the Asean representatives in the current Ascope meeting would be able to come up with salient points for their respective Governments to consider in the management of petroleum intricacies.

"It will be difficult for you (the representatives) to find common ground.

"Perhaps the conference is intended to educate us so that we will be better able to handle the problem of petroleum and related subjects.

## Raising

"If that is so, then there is no doubt we will be better able to manage our economy, knowing but not necessarily trusting the projections that you will make.

"Whatever the result, I am glad Asean countries are co-operating in yet another field. Only good can come of this co-operation."

Dr Mahathir praised the Arabs and Opec for raising the crude oil

## Producing

He reasoned that if the escalation in petroleum price was a cause of recession and hardship for poor countries, then declining prices should result in economic stability, if not an upturn.

But, he said, the fact was that declining oil prices seemed quite incapable of stabilising the world's economy, much less reversing the recessionary trend.

What was happening was that the developing oil producing countries were getting desperately cash short, while the non-oil producing developing countries were becoming worse off than they were when oil prices were high.

"Clearly what the world needs is a reasonably stable price that is neither too low nor too high and that stable price must be real and not subjected to the vagaries of currency fluctuations.

"I am sure even oil producing countries would want this."