

Willingness to co-operate is the key

Dr M: Where

Asean's

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survival lies

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KUALA LUMPUR, Fri. — The survival and prosperity of Asean depend on the willingness of member countries to co-operate beyond individual economic considerations, Datuk Seri Dr Mahathir Mohamad said today.

In a keynote address at the *First Asean Economic Congress* here, the Prime Minister spoke of the need to place regional co-operation at par with national development so long as there are no adverse implications.

Asean must give priority to regional considerations.

Intra-Asean trade, for instance, must be radically improved and the current PTA (Preferential Trading Arrangement), which now has 18,000 items, should include

By NURAINA SAMAD

items that give substance and meaning to the concept of preferential trading.

"There is, I presume, a consensus on the need to enhance intra-Asean trade," he told more than 200 participants, among whom were key Government officials and industrialists. The congress ends on March 23.

Dr Mahathir said the logical follow-up is to enlarge the opportunities for trade adding that Asean, as a group, has a common stand in efforts to enlarge its market share in the developed countries of its dialogue partners.

Similarly, Asean can create the opportunity for greater intra-Asean trade by opening its market for products from member countries. It is, perhaps, time for Asean member countries to state what each is willing to do

to create this opportunity.

Dr Mahathir said while national interest understandably has to be safeguarded, it should be tempered with the realisation that regional gains also contribute towards national growth.

"Asean countries must take the initiative to establish a closer, more constructive and complementary relationship. They must not wait too long to assess and decide on necessary adjustments in facing the international economic situation," he said.

"Substantive steps must be taken in regional co-operation and improvements must be made to the existing framework of intra-Asean co-operation."

Appliances

While Asean hopes for the best possible future, it must at the same time prepare itself to meet the continuing deterioration of international economic conditions and the obstacles and challenges ahead.

In the face of radical economic change, Asean must try to find some economic advantage by working together without completely giving up their national aspirations.

No one country can hope to do everything itself.

Even the most technologically advanced countries possessing the biggest market must buy certain manufactured items from other countries.

The United States, unsurpassed in the making of sophisticated commercial aircraft, has to import electronic goods and appliances.

"Without Governments determining policies, a kind of division of labour has taken place in the manufacturing world. That division must extend to the developing world... which must be allowed to manufacture the kind of goods they are most likely to be efficient at."

Asean countries must, therefore, not be too concerned about or take too much pride in "national products" nor should they try to manufacture everything themselves.

"International trade is not one-way. In a regional grouping, the only way to extract economic benefit is to give and take, or sell

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Effects of commodity price collapse

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and buy, or in one word co-operate."

For Asean, the most telling change has been the collapse of commodity prices and the forced depreciation of its national currencies.

"As a result, we are not only earning less from our commodity exports but we have to pay more for necessary manufactured goods as well as to service our debts."

The losses suffered by the commodity producers like Asean and the Opec countries meant definite gains by the developed countries.

The developed countries last year alone received "a gift of something like US\$100 billion (\$260 billion)" from the poor developing countries.

Consequently their economy has grown by about three per cent which is extremely high by the standards of developed countries.

Many developing countries, caught by protectionist laws, are suffering losses in export earnings.

Developing countries, which are mainly producers of raw materials, are also losing out as trade in goods has given way to trading in currencies and shares.