

# WE HOPE INVESTMENT WILL CONTINUE: DR M

From V. K. Chin

BONN, Mon. — Datuk Seri Dr Mahathir Mohamad hoped today that the 12 nation European Community would remain committed to the liberalisation of global trade and continue advancing in Asean when it becomes a single European union in 1992.

The Prime Minister conveyed his concern to Chancellor Helmut Kohl at a meeting here this morning. Dr Mahathir is on a five-day official visit to West Germany.

Later, Dr Mahathir reiterated this concern in his speech at an official luncheon in his honour hosted by Dr Kohl.

In his speech, he also touched on bilateral relations, Kampuchea, the Indochinese boat people, and arms control.

Dr Mahathir said: "On the economic front, we in Asean have followed with great interest the European Community's efforts to reach the highest level of integration to become a single European union by 1992.

"Our concern is that such maximum intra-regional scheme might produce a fortress Europe perspective which can undermine further the already limited market access for developing countries and divert Europe's investment to the community's low-cost member States with the result that the on-going investment in Asean would be in vain.

"It is Malaysia's hope that the march towards 1992 will not result in an inward-looking European Community and that it would remain committed to the liberalisation of global trade."

Touching on bilateral relations, Dr Mahathir said West Germany had shown a keen awareness of the aspirations of the Malaysian people.

Economic relations had steadily expanded, particularly in trade and investment, and West Germany had become Malaysia's most important trading partner within the European Community, he said.

"We are fully appreciative of the Federal Republic's advocacy of the liberalisation of international trade.

"It is imperative that the industrialised countries appreciate the fact that market access for our primary commodities and our manufactured goods goes a long way towards strengthening the socio-economic cohesion of developing societies and helps cushion the cyclical depressions that they are subjected to," Dr Mahathir said.

He said Malaysia was concerned with the anti-tropical timber campaign. It was unworthy of its laudable aims for it grossly distorted facts and was discriminatory in its objective.

Dr Mahathir said that Malaysia had already undertaken effective measures to conserve its forests, implement reforestation and develop compensatory plantation programmes along with a reduction of felling rate to maintain its ecosystem.

On regional issues, Dr Mahathir said the recent Jakarta informal meeting involving for the first time all the four Kampuchean factions, was a positive development in the decade-old problem.

Dr Mahathir stressed that the Afghanistan model was not applicable to the Kampuchean problem because the Afghan accord did not address the question of political settlement in the wake of the Soviet withdrawal.

"In our view, the self-proclaimed unilateral

withdrawal of Vietnamese troops by 1990 must be directly linked to a negotiated settlement.

"I wish to express our gratitude for the support which the Federal Republic and the European Community have extended to Asean's efforts towards a political solution of the Kampuchean problem," Dr Mahathir said.

He was happy to note that Vietnam had agreed to participate in the preparatory meeting which Malaysia would host in November and the international conference on the Indochinese refugees early next year.

Dr Mahathir said the conclusion of the Intermediate-range Nuclear Forces Treaty had enhanced the prospects for improved East-West relations and of disarmament in Europe.