

MAHATHIR - SINGLE MARKET R'R'R'R'
BY SALBIAH SAID

KUCHING, FEB 16⁹⁰ (BERNAMA)--PRIME MINISTER, DATUK SERI DR MAHATHIR MOHAMAD TODAY CALLED ON THE EUROPEAN COMMUNITY (EC) TO CREATE OPPORTUNITIES FOR ASEAN COUNTRIES TO PARTICIPATE IN THE RECONSTRUCTION AND DEVELOPMENT OF EASTERN EUROPE AND OTHER REGIONS.

TO DO THIS, THE EC COULD BRING TOGETHER BUSINESSMEN AND BUSINESS OPPORTUNITIES IN A THREE-WAY LINK-UP BETWEEN WESTERN EUROPE, EASTERN EUROPE AND ASEAN, HE SAID WHEN OPENING THE 8TH ASEAN-EC MINISTERIAL MEETING HERE.

IT COULD ALSO HELP BY ENSURING THAT ITS SINGLE MARKET WOULD LEAD TO GREATER INTERNATIONAL COOPERATION AND TO AN UPSURGE OF INTERNATIONAL TRADE THAT WOULD BENEFIT ALL NATIONS, HE ADDED.

+IT WOULD BE DISASTROUS FOR US IF A COMBINATION OF THE 1992 SINGLE MARKET AND SPECIAL TRADING PRIVILEGES FOR EASTERN EUROPE LEAD TO DIMINISHED MARKET ACCESS FOR ASEAN EXPORT,+ HE SAID.

DESPITE ASSURANCES THAT MORE WOULD BE DONE TO ENCOURAGE GREATER INVESTMENTS IN ASEAN, EUROPEAN INVESTMENTS, DATUK SERI DR MAHATHIR SAID, CONTINUED TO LAG BEHIND THOSE FROM OTHER REGIONS. --MORE
1056MST 16 02 90

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MAHATHIR-SINGLE MARKET 2 KUCHING (RPTN: REPLACING DENMARK WITH ICELAND IN 2ND PARA)

ON ASEAN'S APPREHENSION OF THE FORMATION OF A SINGLE EUROPE, DATUK SERI DR MAHATHIR SAID THAT THERE IS POTENTIAL OF EC BECOMING MORE INWARD-LOOKING WITH THE ESTABLISHMENT OF THE MARKET AND LESS OPEN TRADING GROUP.

A REINVOGORATED AND RESURGED EUROPE HAS IMPLICATIONS FOR ASEAN AND THE REST OF THE WORLD, HE SAID. FOR EXAMPLE, WITH THE SINGLE MARKET, EC WOULD BE CONTENTED WITH TRADING WITHIN ITSELF AND THE EUROPEAN ECONOMIC SPACE WHICH WOULD INCLUDE THE EUROPEAN FREE TRADE AREA (EFTA)-- SWEDEN, FINLAND, NORWAY, ICELAND, AUSTRIA AND SWITZERLAND, HE ADDED.

CITING FIGURES, HE SAID, IN 1987, 60 PERCENT OF TOTAL EC EXPORTS WENT TO THE EC COUNTRIES AND IF EFTA IS INCLUDED, EC EXPORTS TO EUROPEAN DESTINATIONS WAS AS HIGH AS 70 PERCENT. +IF WE ADD EASTERN EUROPE AS WELL, THE EC MIGHT WELL DO WITHOUT THE REST OF THE WORLD.+

WHILE THE EC MAY CONSIDER THE ASEAN AREA AS AN IMPORTANT INVESTMENT CENTRE AND THE ESTABLISHMENT OF THE EC JOINT INVESTMENT COMMITTEES IN EACH ASEAN CAPITAL ATTESTED TO THIS, THE ATTITUDE OF THE INVESTORS IS SOMEWHAT DIFFERENT, HE SAID.

DESPITE THE VERY ATTRACTIVE PACKAGES AND INCENTIVES OFFERED BY ASEAN COUNTRIES, EUROPEAN INVESTORS STILL HAVE A PREFERENCE FOR THE INDUSTRIALISED NATIONS IN THE EC AND NORTH AMERICA, HE SAID. -- MORE
1258MST 16 02 90

MAHATHIR - SINGLE MARKET 3 KUCHING R'R'R'R'

IT IS FEARED THAT AFTER 1992, THEY MIGHT EVEN BE MORE DISINCLINED TO VENTURE OUTWARDS TO ASEAN AND SEEK INSTEAD THE ADVANTAGES OF A HOMOGENEOUS AND ENLARGED MARKET.

+THIS IS AN ASPECT WHICH I HOPE YOU WILL TAKE UP AT THIS MEETING BEARING IN MIND THE HIGH PRIORITY ACCORDED TO CLOSER INDUSTRIAL COOPERATION AT THE SEVENTH ASEAN-EC MINISTERIAL MEETING IN DUSSELDORF IN MAY 1989,+ DATUK SERI DR MAHATHIR TOLD PARTICIPANTS AT THE TWO-DAY MEETING.

ASEAN'S CONCERN ABOUT DEVELOPMENTS IN THE INTERNAL MARKET, HE SAID IS REAL BECAUSE NOT ONLY IS THE EC A SIGNIFICANT SOURCE FOR DEVELOPMENT FUNDING , IT IS ALSO THE THIRD LARGEST TRADING PARTNER OF ASEAN AFTER JAPAN AND THE US, HE SAID. IN 1987, THE EC ACCOUNTED FOR 13 PERCENT OF ASEAN'S GLOBAL EXPORTS AND 14 PERCENT OF ASEAN'S GLOBAL IMPORTS.

WHILE EFFORTS WERE BEING MADE BY THE EC TO PROVIDE MORE TRANSPARENCY TO WHAT WAS TAKING PLACE, IT WOULD BE SOME TIME BEFORE ASEAN'S BUSINESS AND TRADING COMMUNITY WOULD FULLY UNDERSTAND AND FAMILIARISE ITSELF WITH THE NEW BUSINESS ENVIRONMENT, HE NOTED.

SINCE ALL DECISIONS ON THE REGULATORY ASPECTS OF TRADE WERE BEING TAKEN WITHOUT ANY DISCUSSIONS WITH THE EC'S TRADING PARTNERS, HE ADDED: +HENCE, IT IS NATURAL THAT THERE BE APPREHENSION AS TO WHETHER WE WOULD STILL BE FACING NATIONAL QUOTAS AND UNDER WHAT CONDITIONS AND WHETHER OUR PRODUCTS WOULD CONTINUE TO HAVE MARKET ACCESS TO THE EC,+ HE SAID. -- MORE
1127MST 16 02 90

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MAHATHIR - SINGLE MARKET 4 KUCHING R'R'R'R'

+WE HEAR THAT, GENERALISED SCHEME OF PREFERENCES (GSP) PROVISIONS WILL BE DONE AWAY WITH IN FAVOUR OF COMMON TARIFFS FOR ALL IMPORTS,+ DATUK SERI DR MAHATHIR SAID.

THERE APPEARS TO BE A +CONSISTENCY GAP+ BETWEEN THE EC'S POSITION AS A LEADING PROPONENT OF TRADE LIBERALISATION AND MULTILATERALISM, ON THE ONE HAND, AND WHAT IT DOES TO FURTHER THE CAUSE OF THESE PRINCIPLES ON THE OTHER, HE SAID.

IN THIS CONTEXT, HE SAID, IT IS NECESSARY FOR THE EC TO DEMONSTRATE THAT THE PRINCIPLES OF FREE TRADE AND COMPETITION DID NOT STOP SHORT AT ITS BORDERS BUT WOULD BE APPLICABLE TO ALL IN A FAIR, JUST AND EQUITABLE MANNER.

HE SAID:+NOWHERE IS THE APPLICATION OF THESE PRINCIPLES MORE RELEVANT THAN IN THE CURRENT URUGUAY ROUND OF THE MULTILATERAL TRADE NEGOTIATIONS (MTNS) WHICH SEEM TO BE STALLED IN THE VARIOUS GROUPS ON TARIFFS, TROPICAL PRODUCTS AND AGRICULTURE.+

MANY OF THESE ISSUES, WHICH ARE BEING DEALT WITH IN THESE GROUPS, ARE OF VITAL IMPORTANCE TO ASEAN AND OTHER DEVELOPING COUNTRIES, HE SAID ADDING THAT:+WE WOULD LIKE THE EC TO SHOW THE POLITICAL WILL NECESSARY TO GET THE NEGOTIATIONS MOVING TOWARDS A SUCCESSFUL OUTCOME.+ --MORE

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MAHATHIR - SINGLE MARKET 5 KUCHING R'R'R'R'

IN THE POLITICAL AREA, DATUK SERI DR MAHATHIR SAID AS A DEMOCRATIC AND FREE-ENTERPRISE NATION, MALAYSIA WELCOMED THE RECENT CHANGES IN EASTERN EUROPE. +WE WELCOME THE CHANGES BECAUSE IT WILL ALSO ENHANCE BOTH EUROPEAN AND GLOBAL SECURITY AND STABILITY, AND IN ADDITION, IT WILL PROVIDE NEW OPPORTUNITIES FOR TRADE AND ECONOMIC COOPERATION FOR ALL.+

DEVELOPMENTS IN THE SOVIET UNION AND IN EASTERN EUROPE, HE SAID, HAVE ALREADY HAD A POSITIVE EFFECT ON THE ASIA PACIFIC REGION. FOR INSTANCE, BOTH SOVIET AND US FORCES ARE BEING REDUCED.

THIS IMPROVEMENT IN THE OVERALL POLITICO-STRATEGIC SITUATION WOULD IN TURN OFFER ASEAN NEW REGIONAL OPPORTUNITIES TO PURSUE ITS LONG-CHERISHED GOAL OF A ZONE OF PEACE, FREEDOM AND NEUTRALITY OR ZOPFAN AND ALLOWED FOR AN EVEN GREATER FOCUS ON ECONOMIC DEVELOPMENT.

EASTERN EUROPE HOWEVER STILL FACES MANY CHALLENGES AHEAD, HE SAID AND ADDING THAT +EASTERN EUROPE IS GOING TO NEED A LOT OF HELP AND SUPPORT.+

IN THIS RESPECT, MALAYSIA AND ASEAN WOULD NOT GRUDGE EASTERN EUROPE THIS SUPPORT. +INDEED, WE TOO WOULD LIKE TO ASSIST EASTERN EUROPE IN WHATEVER WAY WE CAN,+ HE SAID. --BERNAMA

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