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Mahathir-Li Peng

EMBARGO: For release after 11 pm tonight

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KUALA LUMPUR, Dec 10¹⁹⁰ (Bernama) — Malaysia feels that China ought to play an important role in the formation of an economic bloc to countervail those formed by the developed countries of the west. (P)

Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight that Malaysia disagreed with the formation of economic blocs but the fact was many developed countries in the west had formed such blocs and were using their economic strength to obstruct fair and free trade.

+In such a situation, Malaysia has re-examined her stand and is of the view that for the world to achieve a balanced economic development, the countries of the Asia-Pacific region should strengthen further their economic and market ties so that eventually an economic bloc would be formed to countervail the other economic blocs, he added.

He was speaking at a dinner he hosted at Seri Perdana for Chinese Prime Minister Li Peng who arrived here today for a four-day official visit. Malaysia is the first stop on his 10-day tour of four Asian nations.

Earlier today, Datuk Seri Dr Mahathir said Malaysia would initiate a market pact among countries of the Asia-Pacific region to counter the single market concept of western countries.

As a first step, the Prime Minister said, he would discuss the proposal with Prime Minister Li Peng tomorrow. — more

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Mahathir-Li Peng 2 Kuala Lumpur (Embargo)

Noting the encouraging developments in the field of international relations, Datuk Seri Dr Mahathir said with the ending of the cold war it would seem that every country was concentrating on economic development so that its people could live in peace and happiness.

He added: +Unfortunately, there is an unhealthy trend in that there is a tendency to establish economic blocs.

+Besides the unification of the European market, the United States has formed a joint market with Canada and now with Mexico as well.

+The United States is now making efforts to attract the Central and Latin American states so that there will evolve a stronger economic link for North and South America.

He also said that apart from the reunification of Germany, there was a possibility that the East European countries might join the European Community soon.

On the other hand, as soon as countries in the East was seen by the West to achieve the status of a developed nation, various measures were taken by the West to frustrate them.

Datuk Seri Dr Mahathir envisaged that China, being a potentially powerful economy and integral to the Asia-Pacific region, could become a dialogue partner of Asean. — more

♥10/12/21-49MST

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He said the resumption of diplomatic relations between China and Indonesia and Singapore this year left no doubt that Asean recognised the role which China could play in the stability and prosperity of the region.

He said Asean's success in economic development and regional cooperation might not have come about as easily if it had not earned the cooperation of big powers like China.

He added: +We are happy to see China's commitment to the principles of peaceful co-existence and non-interference in each other's internal affairs often reaffirmed by China.

+This has been a vital factor in the building up of confidence between the People's Republic of China and Malaysia.+

On bilateral relations, Datuk Seri Dr Mahathir said 13 joint venture projects between Malaysian entrepreneurs and China's state corporations, totalling US\$500 million (M\$1,350 million), had been set up to-date since the framework to foster more trade was laid five years ago and seven joint ventures with Chinese interest have already been approved in Malaysia.

Since the establishment of diplomatic relations between the two countries 16 years ago when the late Tun Abdul Razak Hussein visited China, Malaysia had taken steps to enhance bilateral relations, he added.

In the last five years both countries had signed bilateral agreements on trade, investment guarantee, avoidance of double taxation, air service and maritime. -- Bernama

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