

REPEAT aae tbe
Mahathir-EAEG
By Haris Syamaun

JAKARTA, March 2¹⁹¹ (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that the East Asia Economic Grouping (EAEG), mooted by Malaysia, would now become a unanimous Asean proposal since all Asean members supported the concept. *Oversee trips.*

Indonesia confirmed support for the proposal during his talks with President Suharto here yesterday, + he told a press conference prior to his departure for Bali to attend an international economic conference.

The proposal, made by Datuk Seri Dr Mahathir last December, had received encouraging response from Asean countries after International Trade and Industry Minister, Datuk Seri Rafidah Aziz travelled to the Asean capitals to explain it.

Indonesia had cautioned that the proposal needed further deliberation by Asean members to avoid a duplication of Asean's role.

Datuk Seri Dr Mahathir said senior Asean economic officials would meet in Bandung, west Java in the middle of this month to further discuss details of EAEG, to be followed by another meeting in Kuala Lumpur soon after.

He said the idea for establishing the regional economic grouping was to have a common voice among members in dealing with other world economic groupings such as the European Community and the US-Canada Economic Union.
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He said the EAEG was also expected to serve as a forum to promote the products and commodities of member countries around the world.

The grouping was not intended to become a tight grouping like the EC which tended to prohibit its members from having bilateral economic arrangements with countries outside the community, he added.

It was meant to be a loose grouping which would allow member countries to have bilateral dealings with any country it considered beneficial to its interest.

Datuk Seri Dr Mahathir said the EAEG would defend the common interest of member countries when they face difficulties in dealing with protectionist groupings.

The failure of the General Agreement on Trade and Tariffs (GATT) as well as the Uruguay round of multi-lateral trade negotiations were other factors which had urged us to set up a new economic grouping conducive to our common interest+ in this part of the globe, he added.

He said there was a tendency by the EC and the US-Canada Economic Union to prevent outside countries from enjoying economic benefits either through trading or other means.

He cited the moves in Europe to boycott tropical timber and the intensive campaigns in the US against the consumption of palm oil.

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Datuk Seri Dr Mahathir said economically weak and smaller countries would face major difficulties if they individually dealt with the advanced industrial countries.

+Advanced countries can easily neglect the interests of a weaker country, for example in trading, therefore, it is important for weaker countries to have a common voice against such unfair treatment.+ he added.

He said there were also indications that East European countries would be wooed to join the EC and there had been efforts by the US and Canada to expand their economic union to include Mexico as well as other Central and Latin American states, presumably after 1992.

In anticipation of these moves which were obviously uncondusive to Asean economic growth and trading, +we therefore have no option except to establish our own regional grouping protective and beneficial to our common interests,+ he added.

He also said there was another tendency among European countries to make trading among member countries a domestic affair which would later become another protective measure against other countries.

The EAEG would be a free trade economic grouping in which all members could have their say and maintain their own interests, he added. -- more

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Datuk Seri Dr Mahathir said there was no intention to hold proformal meetings with other countries outside Asean, like Japan, China, Vietnam ar South Korea, about the EAEG concept.

He touched on the concept during talks with Chinese premier Li Peng and also with Vietnamese deputy prime minister Vo Van Kiet when they visited Kuala Lumpur recently but their responses, though not promising, did not reject the idea.

+We (Malaysia) have also been trying to observe Japan's attitude to the EAEG but I have the impression Tokyo is ambivalent and likely to be reluctant to participate in the grouping,+ he said.

He added that historically, Japan always wanted to play a leading role in world affairs, especially within Asia. He said Japan would have an opportunity to play a leading role in the grouping because it was the only country in Asia which was in the Group of 7 with the world's major industrialised nations.

In this connection, Japan could extend its role by voicing the opinions of countries in Southeast Asia, he added.

On Malaysia-Indonesia issues, Datuk Seri Dr Mahathir said no problem existed between the two countries and that the two governments had agreed to observe each others system of Custom procedures in order to improve bilateral trade relations. -- more

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Replying to a question, Datuk Seri Dr Mahathir said Malaysia had no territorial claim on the Paracel Islands in the South China Sea but Malaysia had a right to get a fair share of any economic benefits obtained from the exploitation of minerals or marine resources in areas within its Exclusive Economic Zone including the waters off the Paracels.

Datuk Seri Dr Mahathir, who arrived here yesterday, left for Bali this morning and was scheduled to make a brief tour to Batam Island, which is being promoted under the economic growth triangle concept with Johor Baha and Singapore, on Tuesday before returning to Kuala Lumpur later the same day.

He said Malaysia supported the concept of the economic growth triangle and it would be discussed by the Federal government in Kuala Lumpur soon. -- Bernama