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EMBARGO: For release after 10.30pm today

Mahathir-EAEG

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KUALA LUMPUR, May 17, (Bernama) -- The proposed East Asia Economic Grouping (EAEG) will not be exclusive of other regions, including Eastern and Central Europe, ~~Datuk Seri Dr Mahathir Mohamad~~ said tonight. (P)

The Prime Minister said that EAEG would be consistent with the General Agreement on Trade and Tariffs (GATT) and it would uphold multilateral trading.

+The developing countries and others, such as the countries of Eastern and Central Europe, which are now seeking to integrate with the international economy need, therefore, have no fear of being locked out of this rapidly growing region,+ he added.

Datuk Seri Dr Mahathir was speaking at an official dinner hosted for the visiting Prime Minister of the Czech and Slovak Federal Republic, Dr Marian Calfa and his wife, Jirina, at Seri Perdana here.

Saying that the EAEG would be a regional economic consultative forum to uphold free trade, Datuk Seri Dr Mahathir said that it would seek to maximise trade and investment opportunities both internally amongst its members as well as externally with other trading nations. -- more

♥17/05/20-38MST

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Mahathir-EAEG 2 Kuala Lumpur (Embargo)

He said mutual efforts by Malaysia and Czech and Slovak to expand bilateral economic cooperation would fit in well with the move to promote EAEG.

He hoped that bilateral cooperation between the two countries could develop into a bridge of opportunity to expand economic interaction between Eastern and Central Europe with the Pacific.

+Your Excellency's Government can contribute to this process by not only expanding your exports to the region but also by sourcing some of the requirements for your reconstruction programme from this region,+ he said.

Datuk Seri Dr Mahathir said Malaysia believed that there was nothing to be gained by a +beggar thy neighbour+ attitude.

He added: We believe that the richer a nation becomes, the richer will be the other nations of this world. Our policy will therefore not be directed at enriching ourselves at the expense of others.

+It is because we believe in the common wealth of nations that we are saddened by attempts being made to prevent certain countries in Asia from ever becoming developed.+ -- more

♥17/05/21-25MST

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Datuk Seri Dr Mahathir said the failure of the Uruguay Round was bad news for developing countries which need an orderly and open trading environment to develop and grow.

While the industrialised countries spoke much of freedom and democracy, they seemed unwilling to take the necessary measures to preserve and enhance the international trading system which was so vital in sustaining the freedom and democracy that they championed, he added.

He said that without an open trading regime, free-market economies and, consequently, the institutions of political pluralism that were associated with it, would be weakened.

He added: +If the Uruguay Round were to collapse completely, more could be at stake than just the present international trading system. And yet certain industrialised countries seem indifferent to these dangers.

+In fact, these countries seem to be retreating behind protectionist barriers and regional trading blocs.+ -- more

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The Prime Minister also reminded the Eastern bloc countries that when they were led to believe that market economies were what contributed towards the growth and wealth of the Western democracies, Malaysia too was told of the virtues of free trade when it became independent.

He said Malaysia refused to nationalise foreign-owned business enterprises, kept the market open to the exports of the whole world, encouraged greater participation of foreigners in its economy and did not restrict the movement of currencies across the border.

He added: +Consequently, the shelves in our supermarkets and stores are loaded with goods from the four corners of the world.

+But we cannot be buying without selling. Initially, we sold commodities like rubber and tin which are not produced by the developed countries.

+But the terms of trade changed adversely for us. We had to sell more and more commodities in order to buy less and less of the manufactured goods we need.+ -- Bernama

♥17/05/21-31MST