

Dr M: EAEG will benefit free trade

② Trip overseas.

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By Ahmad A. Talib

SANTIAGO, Fri. Datuk Seri Dr Mahathir Muhammad said that the proposed East Asia Economic Group (EAEG) will not be in conflict with the established Asean, but it will strengthen the collective voice of developing nations.

The Prime Minister said the proposed EAEG was designed to give greater impetus to the promotion of free trade and would not be developed to become a trade bloc.

Dr Mahathir said this in response to questions raised by a participant at the question-and-answer session following his address at the Chilean Council for International Relations here yesterday evening.

The Prime Minister was asked whether the proposed EAEG would be against the principles of Asean, and how it would be compatible with that of the established forum.

Dr Mahathir said the proposed EAEG was now an Asean undertaking aimed

at giving developing countries a stronger voice in international matters affecting them, particularly economic issues and decisions.

He said Asean members had benefited from adopting an open market concept, a fact borne by actual growth rates over the years.

In support of the proposed EAEG, the Prime Minister said countries such as Vietnam, Cambodia and Myanmar would benefit by participating in it because the EAEG was intended to be a serious promoter of free trade, he told the audience.

Too often, the voice or reservation of developing countries on economic issues had been drowned by the stronger voices of the rich countries. This was observed in multilateral forums such as the GATT (General Agreement on Tariffs and Trade).

Dr Mahathir said: "If they join the EAEG, we can help them. We won't question their ideological principles. What is important is that we

speak as one voice promoting free trade.

"Countries in the EAEG can trade with anyone. All we want is for us to be able to reach a common stand when faced with a situation that will affect us. Once this is achieved, we can then speak with one voice."

The Prime Minister was also asked to give his perspective on South-South co-operation, particularly in efforts aimed at promoting the move.

Dr Mahathir said Malaysia was always supportive of South-South co-operation. For South-South collaboration to be more effective, he said developing countries needed to strengthen its structure, such as in the dissemination of information which would enhance economic relations.

The Commission needs to have basic information on all participating countries. Sometimes, the lack of information has hindered trade growth as seen in numerous instances.

Dr Mahathir cited the occasion when India wanted

to buy seamless pipe from Japan only to realise later that the same item could be purchased from Brazil at much cheaper cost.

Another participant wanted to know the Prime Minister's views regarding the current trade axis, whose focus was still North-South centred.

Dr Mahathir's frank response was simple and straight forward.

He said: "At one time, right in the beginning, there was no North-South directions in trade matters. But a beginning was made. Eventually, it grew to become what it is today.

"The same goes for South-South trade relations and focus. We have to initiate a beginning. I'm sure that if we initiate a beginning, a move in the right direction would have been made.

"We may not see South-South axis in our lifetime. But that's not our worry. Our concern at the moment is to initiate a beginning . . . Let us make a beginning now."