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Asean - Mahathir ''',

KUALA LUMPUR, July 19, (Bernama) -- Prime Minister Datuk Seri Dr. Mahathir Mohamad today called for fresh initiatives and ideas to step up economic cooperation among Asean countries to match the already big impact the grouping has made in political and diplomatic cooperation.

Asean's performance on the economic front required substantial upgrading and the six member countries had to refocus both their internal and external economic cooperation on crucial areas such as in intra-regional trade, he said when opening the 24th Asean Ministerial Meeting (AMM) at the Putra World Trade Centre here.

The two-day meeting is attended by the foreign ministers of the six member countries -- Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand. It will be followed by three days of a Post Ministerial Conference (PMC) with Asean's seven dialogue partners, comprising the United States, Japan, Canada, the European Community, Australia, New Zealand and South Korea, which will be upgraded to full dialogue partner status at this meeting.

The Soviet Union and China were, for the first time, represented at the opening of the AMM. Soviet Deputy Prime Minister Yuri Maslyukov and Chinese Foreign Minister Qian Qichen will also have informal talks with the Asean ministers.

The AMM is expected to discuss new directions for Asean in the wake of the end of the Cold War, the Gulf War and the fast-changing world political and economic scenario, and latest developments in resolving the Cambodian problem.

Datuk Seri Dr Mahathir, in setting the tone for the meeting, said that while Asean should not be a trading bloc and while each member country must remain free to trade with other nations, increasing steps should be taken to enhance regional integration because, with economic strength, Asean would have a strong voice in international negotiations for fairer trade terms with the developed countries. -- more

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The Prime Minister said: +We should strengthen our political cooperation by economic means+.

He said Asean should work towards substantially liberalising trade within the grouping to bring economic cooperation to a higher plane and reinforce its trade links with other countries and regions.

There was much room to increase trade flows, create a larger market for complementary industrial ventures, encourage greater private sector participation, and widen and give more impetus to Asean's industrial joint ventures, he said.

Datuk Seri Dr Mahathir gave his backing to the recent proposal by Thai Prime Minister Anand Panyarachun for the establishment of an Asean Free Trade Area sometime by the turn of the century.

+I see merit in establishing an Asean Free Trade Area although there are many structural factors that inhibit our economic integration such as our different levels of economic development and our competing economies,+ he said. -- more

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He said that while differences over perceptions on short and long-term benefits among individual Asean countries were +hard issues+ which made it difficult for them to make the choices, Asean had to make a choice if it wished to be counted as an economic force in its own right.

Asean countries, as one of the world's fastest economically growing regions, could not continue with the piece-meal approach to trade liberalisation among themselves, he added.

But Datuk Seri Dr Mahathir was confident that the present trade constraints within the region would no longer be so formidable or even relevant by the first quarter of the 21st century because by then, the economic disparity between member countries would have narrowed considerably.

+External and internal markets for Asean products would have expanded, thus making the problem of competing economies less relevant,+ he said of the region's market of 250 million people.

To chart the direction of future growth, more than just vision and foresight was needed -- Asean needed more the courage and collective will to set its objectives on course and within a time frame. +We should set our minds to achieve what is, after all, quite possible,+ he said. -- more

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Citing the unsatisfactory level of trade among the Asean countries, he said the volume of intra-regional trade and investments remained low, at just 20 per cent of the region's total trade, despite an increase in the number of products enjoying preferential trading arrangement.

Datuk Seri Dr Mahathir said that just as Asean countries were asking their trading partners for fairer and equitable trade terms, they themselves had a duty to demonstrate positive efforts of their own.

+I am quite certain that a liberalised Asean trading area will be a source of strength for us in the wider multilateral trading environment,+ he said.

But he made it clear that he was only advocating a more economically integrated Asean and not a trading bloc.

As he put it: +Far from it. The outward dependence and orientation of our economies make it impossible for us to be self-contained and inward-looking.+

The Prime Minister said it would be illogical for Asean to abandon the multilateral trading system under which its own economies prospered. --
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