

Dr M: Asean is not planning trading bloc

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ASEAN'S move towards greater economic integration should not be mistaken as an idea that the regional association was progressing towards a trading bloc, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said the group's outward economic dependence and orientation make it impossible for it to be self-contained or inward-looking.

"It would be illogical for us to abandon the multilateral trading system under which Asean economies have prospered. Consistent with our dependence on the open international trading system and multilateralism,

Asean cannot but defend and seek to preserve them," Dr Mahathir said.

In his opening speech, Dr Mahathir said that the group's economic front required substantial upgrading, emphasising that there must be new initiatives and ideas to step up economic co-operation.

The Prime Minister said Asean should be bold enough to examine specific areas where there can be greater regional integration. He pointed out that Asean could not afford to continue with its piece-meal approach to trade liberalisation among members.

In this light, there is merit

in Thai Prime Minister Anand Panyarachun's proposal for an Asean free trade area by the turn of the century even though there are structural factors that inhibit economic integration.

These include members' different levels of economic development, competing economies, lack of industrial complementation and frequently divergent perceptions of short and long term benefits for the individual nations and the region.

"I appreciate that these are hard issues and harder still to make the choices. But make them we must," Dr Mahathir said.

The Prime Minister ex-

pressed confidence that the members economy will continue to grow.

The future of the international trading system may be uncertain, Dr Mahathir added, but he was certain that Asean's economy will grow from strength to strength.

By the first quarter of the 21st Century, factors which inhibit integration would no longer be formidable or relevant. The economic disparity between Asean member States would have narrowed considerably, external and internal markets for Asean products would have expanded thus making the problem of competing econ-

omies less relevant, the Prime Minister said.

Dr Mahathir told the group to set its mind to achieve "what is, after all, quite possible." Greater trade liberalisation would reinforce Asean's trade links with other countries, he said.

"Just as we ask our trading partners to heed our call for a fairer and equitable trade terms, we have to demonstrate positive efforts of our own. I'm quite certain that a liberated Asean trading area will be a source of strength for us in the wider multilateral trading environment," Dr Mahathir said.