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MAHATHIR: US STAND ON EAEG REFLECTS AMERICAN CONTRARINESS

Mahathir-EAEG

From Syed Jamil Jaafar

② Oversea trips

MEXICO CITY, Sept 19<sup>19</sup> (Bernama)-- Datuk Seri Dr Mahathir Mohamad said today the United States' opposition to the Malaysia-initiated East Asia Economic Grouping (EAEG) reflected the contrariness of the Americans.

+On the one hand, they consider it their right to form an association with their neighbouring countries for the purpose of lowering trade barriers and increasing economic interaction,+ the Prime Minister said.

+On the other hand, we in East Asia are not even allowed to call ourselves East Asians. We are now told that we may call ourselves Pacific people.

+This is something we cannot understand especially when the EAEG is not a trade bloc, it is not even going to be a free trade zone,+ he told a packed press conference on the second day of his six-day official visit to Mexico on Wednesday.

The Prime Minister was responding to questions on the proposed North America Free Trade Area (NAFTA) which will group the United States, Canada and Mexico, and the EAEG which has generated considerable interest here. -- more

♥19/09/16-36MST

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Datuk Seri Dr Mahathir explained that the EAEG was merely a forum for East Asian countries to discuss certain common issues with regard to free trade so as to defend free trade at international fora such as GATT and the Uruguay Rounds of Multi-Lateral Trade Negotiations.

+But the United States is opposed to this. We cannot understand,+ the Prime Minister added.

Asked whether Malaysia would seek to use Mexico as a +back door+ to enter the US market following the establishment of NAFTA, Datuk Seri Dr Mahathir said Malaysia preferred to use the +front door+.

He said it might be difficult to use Mexico as a conduit to enter the North American market as there would certainly be a lot of conditions to be met.

He said Malaysia was still studying the NAFTA proposal and would have to consider some approach to deal with the matter.

+We would like to enter through the front door but if we can't, we may have to use the back door,+ he said.

The United States is an important trading partner for Malaysia, accounting for 18 per cent of the country's total trade.

Malaysia's trade with Mexico was small (about 0.12 per cent of Malaysia's total trade). -- more

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The Prime Minister said even without NAFTA, Malaysia was interested in expanding her trade with Mexico.

+We are a trading nation, just like you, and we are forever looking for new markets while maintaining our traditional trading linkages,+ he added.

Datuk Seri Dr Mahathir also explained why Malaysia did not wish to be classified as Newly Industrialised Country (NIC) along with the four so-called +Asian Tigers+ (Singapore, Taiwan, Hong Kong and South Korea).

He said the moment a country was classified as an NIC, it would begin to lose certain privileges such as the Generalised System of Preferences (GSP) benefits.

The developed countries would then also impose on it various conditions and make various demands, such as revaluation of its currency, to hinder its progress towards becoming a full-fledged developed country.

He was commenting on Mexico now being regarded as an +American Jaguar+, the equivalent of the +Asian Tiger.+

Datuk Seri Dr Mahathir had four-eyed talks with President Carlos Salinas soon after his arrival Tuesday. -- more

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He met the Mexican leader again Wednesday morning when they joined the 32-member Malaysian private sector delegation, accompanying the Prime Minister at a breakfast meeting.

Datuk Seri Dr Mahathir said President Salinas had accepted his invitation to visit Malaysia and would be making the trip soon.

He said the Mexican leader and he believed there were great potentials for economic, trade and technical co-operation between Malaysia and Mexico.

Mexico, for example, had expertise in the oil industry which she could share with Malaysia while Malaysia had sufficient experience in land development which Mexico could tap.

Efforts were being made to establish air links and better shipping connections between the two countries to increase people-to-people contacts and enhance trade. -- Bernama

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