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ASEAN MAY ONE DAY BECOME ECONOMIC GROUP, SAYS MAHATHIR

KUALA LUMPUR, Oct 7 (Bernama) -- (P) Prime Minister Datuk Seri Dr Mahathir Mohamad today urged Asean countries to persist to become an economic group, said the private sector must be the prime mover of the region's progress.

Acknowledging that the grouping was more successful in co-operating politically, he said it might one day become an economic group although not the near future.

Opening the 23rd Asean Economic Ministers Meeting here, he said Asean's private sector could not afford to remain parochial but must exhibit drive and dynamism to be the prime mover of the region's progress.

The world, he said, was already moving towards a globalised pattern of production in which locations and nationalities had given way to efficiency and competitive advantage.

Datuk Seri Dr Mahathir said the economic liberalisation policies undertaken by Asean countries meant that the private sector must assume a greater role promoting trade and economic co-operation.

He said Asean's private sector must prepare itself to meet the challenges of fostering greater linkages and networking among themselves.

He also said that Asean industries must increase their efficiency and competitiveness in order to survive and prosper.

This was because they could not depend any longer on a closed and protected home market while Asean countries were striving to forge a bigger Asean market by reducing tariff and non-tariff barriers, he said.

These industries must be ready to face the challenges and the opportunities that would arise out of a greater Asean economic co-operation, he said.

Saying that the economies of scale depended on markets, Datuk Seri Dr Mahathir said that while the markets in each Asean country might be able to support some industries, there were other industries which could only be viable and competitive if the market was Asean-wide.

+For these industries, the Asean countries must be prepared to share their markets. Duplication of such industries in every Asean country will only reduce viability and competitiveness,+ he said.

Referring to small and medium industries (SMIs), which play a supporting role to major industries, he said their inefficiency would affect the cost of the major industries.

The prime minister felt that it would be far better at the initial stage to allocate certain industries to each of the Asean nations, whether major industries or SMIs.

+When the market in each country grows sufficiently that each country can have the particular industry and still be viable, then the country concerned should have that industry for itself,+ he said.

Datuk Seri Dr Mahathir also said that it was disappointing to note that the number of Asean joint ventures was still small despite the existence of the Asean Industrial Joint Ventures and the Brand-to-Brand Complementarity and the preference given to their products under the Preferential Trading Arrangement

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