

Dr M: Let us work with East Asia

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KUALA LUMPUR, Mon. — Asean needs to work closely with East Asian countries so that together they could have a bigger say in international trade negotiations, **Datuk Seri Dr Mahathir Mohamad** said today.

~~This was~~ because Asean by itself was not strong enough to protect free trade, the Prime Minister said, adding that Asean members were dependent on exports to developed countries for their growth.

At the opening of the 23rd Asean Economic Ministers' Meeting, Dr Mahathir said Asean's economic growth would be retarded if developed countries closed their markets.

"It is imperative that Asean countries co-operate closely in order to ensure that free trade continues. But Asean by itself is not strong enough to 'protect free trade.

"Its combined market is

only one-tenth of the market of the North American Free Trade Association or the single European market ... the EAEG will be sufficiently strong to gain the respect of the EC and Nafta.

"Unless we have this group, Asean and everyone will be at the mercy of the trade blocs of Europe and America.

"There will be many conditions and linkages with non-trade issues that the growth of Asean will be retarded.

"We will all remain developing countries forever.

"I have been extolling the virtues of the EAEG as an instrument to keep world trade free. We expect this meeting of Asean Economic Ministers to endorse fully the positive recommendations of the officials tasked with examining the concept.

However, we will understand if consensual endorse-

ment is not possible. Malaysia values its association and friendship with its Southeast Asian neighbours above everything else. It does not wish to be a cause of embarrassment to anyone."

He added that presently the countries of Southeast and East Asia together formed a formidable market, but the potential for growth of the EAEG was far greater than that of the EC and Nafta.

This would also increase the clout of the EAEG, Dr Mahathir said, adding that it was important for the group not to be a trade bloc.

He said the EAEG's common stand, when taken, could not be ignored.

"Since the EAEG stands for free trade, its strong influence in the GATT rounds is likely to yield positive results."

Later, speaking to news-

laysia, being the first promoter of the EAEG before it became an Asean project, was willing to hear proposals from its Asean partners to modify the EAEG.

If it was not possible for Asean to support the EAEG in its proposed form, then other forms might have to be considered.

Dr Mahathir said he was aware there would be some members of the proposed EAEG which would be economically weak, but Asean's experience would show that these weak countries would learn from the mistakes of the successful counterparts and would soon develop and prosper.

Asked to elaborate on any reservations Asean countries might have about the proposed EAEG Dr Mahathir replied that each country had its reasons, and some might have had to take into consideration world opinion.