

'STAND UP FOR FREE TRADE'

PM: Work within EAEG framework

By AHIRUDIN ATTAN

THE Asean Six will remain as developing countries forever unless they form a strong grouping with East Asian countries and, at the same time, fast-forward the process of economic integration among themselves.

Prime Minister Datuk Seri Dr Mahathir Mohamad said while Asean continues to be dependent on exports to the developed countries for their growth, the West is forming trade blocs which will restrict Asean's products into their markets.

It is imperative, therefore, that Asean stand up for the continuation of free trade, he said in his opening address at the 23rd Asean Economic Ministers (AEM) meeting in Kuala Lumpur yesterday.

"But Asean, by itself, is not strong enough to protect free trade. Its combined market is only one-tenth of the market of Nafta (North American Free Trade Area) or the single European

market," he said, adding that for Asean to have a bigger say in trade negotiations internationally, it must work together, within the framework of the East Asia Economic Group (EAEG), with East Asian countries.

The Prime Minister said the EAEG will be sufficiently strong to gain the respect of both the European Community (EC) and Nafta. Even currently, the countries of South-East and East Asia

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together form a formidable market. But the EAEG's potential for growth is far greater than that of the EC and Nafta and this fact, he said, will increase the clout of the EAEG.

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

and linkages with non-trade issues that the growth of Asean will be retarded. We will all remain developing countries forever," he added.

The Economic Ministers of Malaysia, Brunei, Indonesia, Philippines, Singapore and Thailand are meeting for two days to discuss various economic programmes and issues, with the view to laying the framework for January's Fourth Asean Summit in Singapore. The EAEG, which is now an Asean proposal, is at the top of the AEM agenda.

Asean's process of economic integration, particularly through the establishment of the Asean Free Trade Area (Afta), a Thai proposal, will also dominate the two-day talks.

Datuk Seri Dr Mahathir said Malaysia welcomes the Thai proposal as the potential for intra-Asean trade is big. "But we have to open up our markets if we are to realise the potential."

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