

Assurance to a

NST 2 1 JAN 1992

By Manan Osman

KUALALUMPUR, Mon. — Malaysia has given its assurance to Vietnam it will provide all possible assistance to the country, especially in areas where it has expertise and experience.

Prime Minister Datuk Seri Dr Mahathir Mohamad, in giving the assurance, said, as a friend and close neighbour of Vietnam and consistent with the nation's active support for South-South co-operation, Malaysia was ready to co-operate

and work closely with the country.

Malaysia also welcomed Vietnam's *Doi Moi* or "Renovation" policy introduced at the end of 1986, but Dr Mahathir said the transition to a free market economy would undoubtedly give rise to initial difficulties and problems.

However, notwithstanding these problems, the Prime Minister said he was confident Vietnam would be able to overcome all obstacles.

Dr Mahathir was speak-

ing at an official dinner at his residence, Sri Perdana, tonight in honour of Vietnamese Prime Minister Vo Van Kiet.

Dr Mahathir described Mr Vo's visit as "timely" as it came during a period of rapid changes in the international political scene.

"We in this region cannot remain unaffected by these changes. Already, the vexing Cambodia issue seems set to be resolved.

"Once this happens the countries in the region will be able to divert their atten-

tion and resources to more constructive purposes. We expect Vietnam and other Indo-Chinese States will be able to make rapid progress from now on."

The Prime Minister said that with this, the South-east Asian region was set to become an even more dynamic growth area and a significant player in the world economy.

Malaysia cherishes its independence. But independence must not be in the political arena only.

"It should extend and in-

close neighbour

clude economic independence. This does not mean being able to produce all the country's needs. In this modern world interdependence among States cannot be avoided.

"But it is necessary, in order to be truly independent, for economic ties not to be available for applying pressure.

"Only by being economically sound and by having friendly relations with neighbours can pressures be avoided."

The Prime Minister also

said that both countries should seriously look into other possibilities for promoting direct trade, shipping and air links.

He said: "Malaysia would like to see the many facets of our bilateral relations, whether on-going or in the future, be predicated on a solid foundation of mutual trust and friendship between our peoples."

On the East Asia Economic Caucus (EAEC) proposed by Malaysia, the Prime Minister said despite repeated explanations and sincere as-

surances that it would not be a trade bloc, some quarters insisted on misunderstanding this simple caucus.

He reiterated that the EAEC was intended to be a consultative mechanism which would allow countries in the East Asian region to discuss and harmonise their views on matters which obstruct the free flow of international commerce.

"It is certainly compatible with GATT and was never intended to be an exclusive trade bloc," he said.