

Dr M: Consensus will make Tokyo's views

EAEC can benefit

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By K.P. Waran

KUALA LUMPUR, Thurs. — Japan's claim that it had always presented Asian views at the Group of Seven meeting will be more credible if it agrees to the establishment of the East Asia Economic Caucus. Datuk Seri Dr. Mahathir Mohamad said tonight.

The Prime Minister said an EAEC meeting to identify common problems and make a consensual stand would allow Japan to represent the region more forcefully at the G-7 meeting.

Japan is the only East Asian country to be a member of the G-7 and Tokyo recognises that the decisions taken by the group can affect the economic well-being of the East Asian countries.

"Accordingly, Japanese Prime Ministers have made it a practice to get the views of East Asian countries prior to attending a meeting of the group.

"But since the views were given without prior consultation between the East Asian nations, it is more likely that conflicting views will be expressed and subjects too may differ. As a result, Japanese interventions at the meeting will not be as effective.

"How much better and how much more representative Japan will be if prior to attending the G-7 meeting, a meeting of the East Asian countries is held and a consensual stand is arrived at.

"The Japanese Prime Minister will then be able to

represent the East Asian countries more forcefully.

This again should prove the usefulness of the EAEC," Dr Mahathir said at a dinner he hosted for visiting Japanese Prime Minister Kiichi Miyazawa and his delegation.

He said although there was a tendency to think of regional groupings as a trade bloc, he pointed out that Asean, one of the most successful regional groupings, has been around for almost a quarter of a century without becoming a trade bloc.

Asean countries individually and collectively have remained open to trade with the rest of the world yet have uniformly prospered.

"What I wish to point out is that regional groups need not become trade blocs in order to benefit from the grouping. The idea of the EAEC was prompted by our Asean experience.

"It is not a trade bloc. It is to be a mere forum of countries in close geographical proximity which also happen to have common economic ambitions."

Very often the countries were faced with common problems for example at the Uruguay Rounds of the General Agreement on Tariff and Trade.

By acting separately, he said, they had not been able to influence the decision taken at such international trade talks and obviously, if

at G7 more credible

Japan

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they had taken a common stand and spoken with one voice, it would be difficult for the international community to ignore their common views.

Since all the East Asian countries were trading nations, much dependent on the free trading system, they would be able to help preserve free trade and combat protectionism.

"A forum consisting of the countries of East Asia would enable them to come together to discuss these common problems and to decide on a common stand. The EAEC can be such a forum."

He said like the case of Asean countries, through the EAEC the East Asian countries were bound to

learn from each other the right approach to economic development and could help each other through investments and access to each other's markets.

In the end, without ever closing their markets to trade with the rest of the world, the EAEC members were bound to prosper.

He added that even now the process of learning from one another had yielded results.

"How much more successful will their development be if they sit around a table to discuss ways and means to help each other and to promote intra-regional trade.

"We fully appreciate Japan's position. I merely want to explain that the EAEC is not a trade bloc. It

is only a regional forum."

Dr Mahathir added that developing countries in Asia, including Malaysia, had benefited greatly from Japan's economic and technical assistance and the economic linkages that developed over the years had made Japan Malaysia's foremost trading partner and investor.

In spite of Malaysia's progress, it remains a developing country but aims to become a developed country by the year 2020.

"In our quest for the fulfilment of this vision, we will continue to require access to capital, technology and market in the developed countries."

He also commended Japan for its participation in the reconstruction of the Indochinese countries.