

E  
ECONEWS  
PM OUTLINES SEVEN PRINCIPLES FOR EAEC  
(EMBARGOED FOR RELEASE AFTER 1.30 PM, MAY 13, TODAY)

From K.C. Leong<sup>3</sup>

TOKYO, May 13 (Bernama) -- Datuk Seri Dr Mahathir Mohamad today outlined seven principles to serve as the design parameters for the proposed east Asia Economic Caucus, stressing the theme that it should be outward looking and strive for open regionalism.

The first principle is that the EAEC should be concerned with both a regional and an extra-regional agenda, the prime minister said in a keynote address to an international conference here on +Asia's Role in the Changing World Order.+

The others include: the EAEC should not be confined to trade matters alone, it must champion free and fair world trade, it must champion the cause of open regionalism in order to attract resources from the widest possible sources, and it must aspire to be a model for North-South co-operation.

The final two principles are that the EAEC must contribute to a sense of security and well-being in all the East Asian economies and EAEC co-operation must be founded on the basic principles of mutual benefit, mutual respect, egalitarianism, consensus and democracy.

He said that while pursuing these ends, the EAEC should also ensure that it was not confrontationalist, bullied and intimidated, did not damage Asean, APEC, the South Pacific forum and other established processes, did not allow others to divide the Pacific, Asean or East Asia and that its members were not cowed from speaking out against racism, exclusivism and attempts to create closed trading blocs.

Dr Mahathir's eagerly-awaited speech was delivered on the second day of the conference which has attracted about 700 participants from throughout the region, mostly top corporate officials.

Stressing that it was fundamental that the EAEC should not shut others out of the region, the prime minister said EAEC members, for their own national and regional interests, "must seek the fullest engagement of all the best companies and all the most important economies of the world within our region".

Earlier, he reminded the audience that the proposed EAEC was not aimed at becoming a closed, inward-looking trading bloc for East Asia," he said.

"We are not advocating a preferential trading arrangement, or a free trade area, or a customs union, or a common market or an economic union for East Asia.

"What we wish to see is the establishment of a loose consultative forum for the economies of the region. This forum should have both a regional and extra-regional agenda."

Elaborating on the design parameters he outlined, he said while trade was crucially important, there was also much which could be done in East Asia with regard to optimising joint development zones, investment, technology, tourism, even labour flows.

"The areas for co-operation --from privatisation to infrastructure development --are too many to enumerate."

As for free and fair world trade, Dr Mahathir said: "We must champion the cause of global trade liberalisation, of multilateralism, of an open global trading system, of the Uruguay Round and of the General Agreement on Tariffs and Trade and its spirit, principles, rules and regulations.

"Fortunately, because we are among the most dependent on foreign trade in the world today and because we are so competitive that we will do very well within any fair and free global trading system, the position advocated is the natural one for us in East Asia to take," he added.

Referring to open regionalism, he said: "If we agree to do something on regional trade, we must ensure that no new or higher measure of protection and discrimination should be introduced against those outside East Asia.-More

E

ECONEWS

PM OUTLINES 2 TOKYO (EMBARGO)

"The present levels of real protection and discrimination should be pressed even lower. No economy should ever be required to raise its levels of protection and discrimination to some higher, common regional level.

"We must not be inward-looking. All our economies should continue to be strongly outward-oriented. The whole world must be our marketplace. Our own regional market must be increasingly open to others. We must continue to liberalise."

Dr Mahathir said he believed very strongly in attracting foreign investment from every corner of the global and in the inflow of technology, know-how, entrepreneurship and modern management from the widest and richest possible range of sources. "Otherwise, we will only be hurting ourselves."

In pursuit of the internal regional agenda, Dr Mahathir said, the East Asian economies should hold regular ministerial-level meetings to discuss how to enrich regional economic co-operation for mutual benefit in the short, medium and long term.

For the extra-regional agenda, the members should discuss how to act in concert to enhance the chances for the success of the Uruguay Round of multilateral trade liberalisation talks, the perpetuation of the open global trading system and other global public good, he added.

He said Asean was working out the details and modalities for the EAEC and the proposal was now entirely in the hands of Asean which would have to decide what form the EAEC would take. -- Bernama

E