

BASIS FOR EAEC

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TOKYO: Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday unveiled a seven-parameter design for the East Asian Economic Caucus.

The parameters called on East Asian countries to meet regularly to strengthen trade co-operation, to discuss a wide range of issues, to champion for an open trade system and promote open regionalism.

The EAEC should also be a model for North-South co-operation and contribute to a sense of security and uphold principles of mutual benefit.

He outlined the seven parameters in his address at the Asia Society's fourth annual conference here yesterday. (See Pages 19 and 21 for the full text of his speech.)

It is the first time that Dr Ma-

Mahathir unveils seven-point plan

hathir has spoken formally here on the EAEC as well as going into details.

Topping the list is a regional agenda and extra-regional agenda to allow the economies of East Asia to meet regularly at ministerial level.

Dr Mahathir said such meetings would allow discussions on how to enrich regional co-operation for mutual economic benefit in the short, medium and long terms.

On extra-regional agenda, Dr Mahathir called for discussions on how East Asian countries could act together to enhance the chances for the success of the negotiations for trade liberalisation in the Uruguay Round as well as an open global system.

He said the EAEC should not con-

fine its discussions to trade matters although they were crucial.

"In East Asia especially, there is so much that can be done 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," he said.

He said East Asian countries must fight for free and fair trade and should pursue global liberalisation.

He said EAEC must champion for open regionalism.

"If we agree to do something on regional trade, we must ensure that no new or higher measures of protection and discrimination be introduced against those outside East

Asia," he said.

Dr Mahathir said the present levels of real protection and discrimination should be pressed down even lower.

He said East Asian nations must not be inward-looking as the whole world must be their market place and that the region's market must be increasingly open to others.

He also stressed that the East Asian countries should aspire to be a model for true North-South co-operation.

They must seek to contribute to a sense of security and wellbeing on the part of all the economies of East Asia.

Dr Mahathir said whatever schemes of contribution the East Asians embarked upon must be founded upon the principles of mu-

tual benefit, mutual respect, egalitarianism, consensus and democracy.

He said such design parameters would be equally relevant to whatever other East Asian economic co-operation process in the years ahead.

"While we pursue these ends, we should ensure that we are not confrontationist, that we are not bullied and intimidated, that we do not damage Asean, Apec, the South-Pacific Forum and other established processes," he said.

Dr Mahathir said the East Asians should not allow others to divide the Pacific, Asean or East Asia and that "we are not cowed from speaking out against racism, exclusivism and attempts to create trading blocs."

● TURN TO PAGE 2

EAEC
plan
now in
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● FROM PAGE ONE

He said it was fundamental that East Asian countries should not shut others out of the region.

"This will be such a stupid thing to do that those who accuse us of wanting to do this must be somewhat feeble of mind. Or, they must think that we are feeble-minded."

The Prime Minister stressed that the EAEC was misunderstood as an attempt to create an inward-looking trading bloc.

"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," he added.

Dr. Mahathir said Asean was working out the details and the modalities, adding that the EAEC proposal was now entirely in the hands of Asean.

"As you know, Asean decides by consensus. Malaysia is only one of the six members," he added.