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ENTIRE WORLD SHOULD BE SINGLE MARKETPLACE, SAYS MAHATHIR

From Azman Ujang 93

SEOUL, May 24, (Bernama) -- The entire world should be a single marketplace and trading bloc with as few obstacles and distortions as possible for free trade, Prime Minister Datuk Seri Dr Mahathir Mohamad said here today.

Although free trade was full of imperfections, it was the best model in ensuring the greatest economic good for the greatest number of people, he told more than 700 top executives of corporations and government officials attending the 26th International General Meeting of the Pacific Basin Economic Council (PBEC) at the Korea Arts Centre.

"In the context of trade, open globalism must be the first and the best choice," said Dr Mahathir who argued strongly for open regionalism not only in this part of the world but worldwide.

But, he said, in the post-war period, more than 55 regional markets, trade arrangements or blocs had been put in place around the world.

Northeast Asia remained the only major area in the entire world where such a bloc had never been seriously tried, he added. -- more

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The Prime Minister said the world now needed new champions and makers of the multilateral, open global trading system because the old champions were no longer there.

It was for this central reason that Malaysia advocated the formation of an East Asia Economic Caucus (EAEC) as a coalition for the region to build the necessary regional organ for an open global trading system, he added.

Dr Mahathir said the EAEC was propelled by the desire to ensure that East Asian regionalism developed in the most productive way possible for all the economies of the region, but, without forgetting countries geographically located outside East Asia.

"Whether we like it or not, whether we want it or not, East Asian economic interdependence and integration is taking place at a ferocious pace now and is going to continue at the same pace," said Dr Mahathir who gave an East Asian perspective on the theme of the conference "Open Regionalism - A New Basis for Globalism?"

He gave the assurance that unlike the economic integration in Europe and elsewhere, East Asian integration was completely market and business driven and should remain to be so for the future. -- more

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He said: "We all have to accept the fact that whether we like it or not, economic regionalism is not going to go away. Indeed, the tide of economic and especially trade regionalism will advance, not retreat."

Because trade blocs were not going away but instead looked set to proliferate, he called on governments to ensure that as many trade blocs as possible would be as open as possible for global liberalisation rather than protectionism.

Trade blocs were groupings which have a common set of market access conditions among member economies which are not accorded to those outside the "bloc"

"We must fight for open regionalism," urged Dr Mahathir, who said open regionalism would only exist with actual internal trade liberalisation and if the barriers to outside economies were actually reduced.

In his view, to qualify as open regionalism, it was even more important to pass the test of result or outcome because intent without outcome was not sufficient. -- more

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Citing an example, he said the creation of a full economic union by the European Community (EC) under "Project 1992" certainly did not have the intention of reducing the barriers to economies outside the EC.

His statement: "I do not want an open East Asia", appeared to run counter to the theme of his address but he went on to say: "I must say I prefer a very open East Asia. Such a very open East Asian economic cooperation will most definitely be a contribution to an open world, to the globalism that we can all be proud of."

He said the vibrance and dynamism of the region should benefit not just the region but the world as well.

Dr Mahathir was among three heads of government who addressed the meeting during the Leaders Forum. He spoke after South Korean President Kim Young Sam and was followed by Philippine President Fidel Ramos. -- Bernama

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