

# China can assume vital role in EAEC, says PM

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Overseas trips

BEIJING: China can assume an important role in realising the proposed East Asia Economic Caucus (EAEC), Datuk Seri Dr Mahathir Mohamad said here yesterday.

The Prime Minister said an EAEC with the active support of China would have a better chance of dispelling the unwarranted fears of some countries over the motives behind this regional initiative.

Addressing a joint meeting of Malaysian and Chinese businessmen at the China World Hotel, Dr Mahathir said:

"Besides, an EAEC will certainly provide an excellent forum for consultations among East Asian countries.

"The PRC, beyond doubt, will rank as a very important player in the EAEC, given her desire to be a part of what is happening in East Asia; to share in the fortunes and

ills encountered by East Asia; and to help in providing direction and a sense of purpose for the betterment of the political and economic well-being of East Asia as a whole."

Dr Mahathir said East Asia was at an early phase of dramatic transformation and predicted that within the next few decades, it was likely that there would be a belt of modern industrialised nations with high standards of living, stretching from Korea, Japan, the PRC, Vietnam and down into the Ascan region.

He described it as the region with the strongest economic weight in the world and the biggest market.

"China lies at the very hub of East Asia which is generally acknowledged as the fastest growing region in the world," he told the business group.

"With the continuing

participation and interest shown by foreign investors, the pace of development in China has, of late, been phenomenal.

"I have no doubt that your economy will continue to be buoyant and, in the process, contribute to the economic well-being of the region as a whole."

However, he cautioned that no nation, aspiring to be a strong international economic entity, could run from the problems that the international trading environment presents.

Like China, he said, Malaysia had found the international trading environment to be full of pitfalls and uncertainties.

He said: "The unfair terms of trade and the pre-conditions for market access imposed upon us by the West defy understanding for they run counter to the very principles of free trade which they preach."