

Why Japan and S. Korea slow to accept EAEC

S-27 JUL 1994

KUALA LUMPUR: The US opposition to the East Asia Economic Caucus (EAEC) has resulted in Japan and South Korea being unprepared to accept it, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said while he understood the countries needed time before making a decision, some groups were trying to block the emergence of the EAEC.

"It is clear the US opposition has resulted in the two countries' reluctance to accept (the EAEC).

"We have explained time and again that we do not have bad intentions. We only want to promote free trade. If there is an EAEC, it could defend free trade so that other trade blocs will not use their strengths to manage trade for their own benefits," he told reporters after launching the Veterinary Services Depart-

ment Centenary celebrations here.

He was commenting on reports that Japan, South Korea and China wanted more time to sell the EAEC idea. Their views were forwarded during the informal meeting on the EAEC between Asean foreign ministers and the three countries in Bangkok.

The Prime Minister said there was no problem in giving more time to the countries but hoped it was not a way for them to avoid making a decision.

"I'm not disappointed but at least they said they need more time... but we will continue to explain (EAEC) to them," he said.

He said intra-Asian trade had risen by 40 per cent, making the region an important trade area.

The participation of these countries, apart from those in Asean, would strengthen their presence in the region.