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NATIONS NEED TO WORK CLOSELY, SAYS TONY TAN

KUALA LUMPUR, March 20 (Bernama) -- Nations need to work closely with one another not only because of economic inter-dependence but also the potential for conflict between nations and within nations has grown rather than diminished with the end of the Cold War, said Singapore's deputy prime minister and defence minister, Dr Tony Tan.

The end of the Cold War has swept away the restraint imposed previously and new centres of power and growth are emerging, he said at a public lecture on "Trade and investment in the Asia Pacific region: a Singaporean viewpoint" organised by the Oxford and Cambridge Society of Malaysia here tonight.

A strong network of ties and co-operation -- bilateral and multi-lateral -- is necessary if the next millinneum is to bring greater progress and not disaster for mankind, said Dr Tan.

He said countries in the Asia Pacific now realised that for their economies to develop, "co-operation is indeed the way to get ahead and the impetus towards co-operation is fuelled by three basic premises which are increasingly being subscribed by them".

He said the first is that constructive co-operation is better than destructive competition "but this does not mean there should be not be any competition among countries or companies".

Dr Tan added, "We must ensure that, in the process of economic competition, we must minimise the areas of conflict and maximise opportunities for co-operation."

Regionalism in the Asia Pacific, he said, must be built upon market-based integration and openness to countries outside the region as there is no room for discrimination.

The second basic premise for co-operation is that a "prosper thy neighbour" policy is preferable to "beggar thy neighbour" policy.

The "beggar thy neighbour" policy assumed that the economic wealth of the region is finite, that is, countries can only grow at the expense of other countries.

"But we all know that economic competition is not a zero sum game and it is possible to create more wealth all around," he said.

Dr Tan said the "prosper thy neighbour" policy will lead to greater gains for all countries to take advantage of the synergistic benefits of co-operation and the spillover effects of an increasingly prosperous environment.

Dr Tan said the third basic premise is that a smaller share of a bigger pie is more beneficial than a bigger share of a smaller pie.

Co-operating with one another for mutual benefit, he said, will invariably lead to a bigger pie for all to share, adding that "the pie in East Asia is growing exponentially".

Touching on the relationship between Malaysia and Singapore, Dr Tan said economies are closely linked and "many of our companies have co-operation on both sides of the Causeway".

Malaysia was Singapore's second largest trading partner in 1994, accounting for almost 20 percent of Singapore's global trade while at the same Singapore was Malaysia's third largest trading partner in the same year, accounting for 18 percent of Malaysia's total trade.

Last November, he said the goverments of the two countries gave further

impetus to bilateral co-operation by launching the Malaysia Singapore Joint Feasibility Study which will help defray the cost in jointly exploring regional opportunities.

Dr Tan said the prime ministers of Malaysian and Singapore are now engaged in discussing two important issues -- the construction of a fast train service between Singapore and Kuala Lumpur as the first leg of Datuk Seri Dr Mahathir Mohamad's proposed Pan Asia rail link and the long term supply of water to Singapore. -- BERNAMA

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