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Summit agrees to promote more intra-Asean trade and investment

KUALA LUMPUR, Mon. - The Asean Informal Summit today unanimously agreed to a Malaysian proposal that member States should remove barriers and promote greater intra-Asean trade and investment following the depreciation of their currencies.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the move, however, would by no means lead to regional protectionism.

Dr Mahathir, who chaired the one-day summit, told a Press conference that as currencies of member States depreciated to almost the same level, trade between them would be cheaper.

Asked whether the decision to increase trade among Asean countries would raise fears of protectionism among those outside the region, Dr Mahathir said: "Those outside the grouping should really understand. We are not even forming a trade bloc like Nafta (North American Free Trade Agreement) or the European Union. We are merely responding to a situation beyond our control.

"We have less money now to pay for goods from outside. And because we have less money, we want to buy from sources which are cheaper. It is not nationalism or regionalism or 'bloc-ism'. It's just that we don't have the money."

Delivering his keynote address at the Private Sector Salute to Asean Conference on Saturday, Dr Mahathir had said that increased trade among Asean members would allow them to bounce back from the current economic problems.

He said although Asean would prefer to sell outside Asean for more foreign exchange, where they could be competitive in each other's markets, they should "Buy Asean".

Dr Mahathir reasoned that as relative to each other's currency, the devaluation had not been so high, and the goods from Asean countries would be cheaper to member countries.

The heads of Government also reaffirmed their commitment to maintain an open trade and investment environment in Asean, including through accelerated implementation of the Asean Free Trade Area, the Asean Investment Area and the Asean Industrial Co-operation scheme.

The leaders also approved the Asean Vision 2020 which sets out the fine prints of the grouping's endeavour for a concert of southeast Asian nations, partnership in dynamic development, a community of caring societies, living in peace, stability and prosperity as well as an outward looking Asean.

They pledged to their people their determination and commitment to bringing this Asean Vision for the Year 2020 into reality.

The Vision reiterates the need to enhance Asean economy through development strategies of the people, emphasising sustainable and equitable growth, and improve national as well as regional resilience.

It resolves to maintain regional macro-economic and financial stability by promoting closer consultations in macro-economic and financial policies.

It envisions the entire Southeast Asia to be, by 2020, an Asean community conscious of its ties of history, aware of its cultural heritage and bound by a common regional identity.

It sees a socially cohesive and caring Asean where hunger, malnutrition, deprivation and poverty are no longer basic problems.

Later, at a Press conference after the Asean+3 meeting, he said the move to increase trade within Asean was welcomed by heads of Government, but there was a suggestion that the northeast Asian countries be included.

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