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PM: Watch for back-door entry

PUTRAJAYA, Tues. - Malaysia today told Asean member countries not to allow outsiders to enter the Asean markets through the back door upon the implementation of the Asean Free Trade Area pact.

Prime Minister Datuk Seri Dr Mahathir Mohamad said many non-Asean member countries were hoping to enter the Asean markets through the back door once Afta came into force.

He said this should not be allowed to happen as it would lessen the benefits of Afta to Asean member countries.

"Afta actually provides us with the opportunity to enlarge our industrial and commercial capacities and we must not let the opportunities be wasted and lost to us," he said in his speech at a dinner held in honour of Thai Prime Minister Thaksin Shinawatra.

(Afta will take effect in 2003 but the local automotive sector has won a reprieve until 2005).

Malaysia on its part, Dr Mahathir said, would not renege on its commitment to liberalise and open its markets as required under Afta.

"Yes it is true that we have sought to defer temporarily the inclusion of completely built up and completely knocked down automotive parts in the Afta scheme but the deferment is merely to allow our domestic national car industry, adversely affected by the 1997 regional financial and economic crisis, to undertake necessary restructuring exercise to remain competitive in the post-Afta Asean," he said.

Dr Mahathir said Asean was an important sector of Malaysia's foreign affairs and received the highest priority.

He said as neighbours, Malaysia and Thailand should exchange information and views on the management of economic and financial turmoil so that they could learn from one another and ensure better recovery.

Both countries, he said, had lately been facing difficult times due largely to interference in the governance and management of their countries by so-called concerned foreigners.

Despite all these, Dr Mahathir said, bilateral trade recorded a 28 per cent increase to reach US\$6.3 billion (RM23.9 billion) last year compared to 1999.

Thailand is now Malaysia's sixth largest trading partner.

Dr Mahathir said he was glad to note that over 50 companies with Malaysian interests were currently operating in Thailand.

He said Thai investments in Malaysia has also shown encouraging growth.

"Although we had made impressive strides to shore up bilateral trade and investment, more concrete measures would have to be taken to tap the full potential of the business opportunities available in both our countries," he said.

He said the convening of the Malaysia-Thai business seminar in Bangkok earlier this year, attended by about 600 businessmen from both sides, was an encouraging sign.

"I hope our private sector collaboration would develop fully into an Asean-wide phenomenon to enhance intra-Asean trade and reap maximum benefits from Afta," he said.

Dr Mahathir said visits and direct interaction between Ministers and Government officials from both sides should be encouraged as the need to understand one another "becomes more real and urgent".

With the US economic slowdown, he said, both sides should explore new

measures to accelerate bilateral co-operation.  
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