

17 OCT 2002

Mahathir-Asia

ASIA NEEDS TO BUILD COMMUNITIES OF DURABLE PEACE- DR M

By: Zulkefli Salleh

NEW DELHI, Oct 17 (Bernama) -- Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad said today Asia must build communities of durable peace and friendship to ensure rapid and sustainable economic growth.

He believed that Asia must aggressively and relentlessly concentrate on these two fundamental objectives to ensure the "peace and prosperity run" that it has started on, could take the region to greater success and even reinstate it as the centre of human civilization.

Dr Mahathir, who is on a three-day visit to India said this in his keynote address titled "Asia in 2020: Challenges and Prospects" at the Asean-Indian Business Summit here.

Indian Prime Minister Atal Bihari Vajpayee addressed the inaugural session of the summit organized by the Federation of Indian Chambers of Commerce and Industry (FICCI) at Federation House.

Dr Mahathir said Asia has, from having been "dismissed as basket cases of societies which can have no future", for some time now started to show the world what it can do.

"We have turned the corner. We could be at the start of a peace and prosperity run that could take us to where we were, when we were the centre of human civilization. We have now have a historic opportunity to banish our period of shame and to put in its place , an era of pride," he said.

Dr Mahathir also stressed that it was very important for Asia that in the future India be part of the region's prosperity run and that India and the rest of Asia run together.

On how that could be achieved , he said that many of course talk of the "East Asian model" of economic development but then while East Asian countries do have similarities like high levels of domestic savings and an obsession with education they also have many models of economic development.

Whilst some East Asian economies are very reliant on foreign direct investment Japan and Korea were very reliant on domestic enterprises and South Korea developed on the basis of huge conglomerates and Taiwan was built on small and medium scale enterprises, he said.

"What we have in common is an awful lot of national pragmatism. We did it according to the Sinatra Principle . We all did it our own way. And the most important element was not the international system, or the regional system but national pragmatism" he said.

He said while in many parts of the world "beggar thy neighbour" was a powerful reality, many nations in East Asia have found much value in "prosper thy neighbour policies" as their national policy, and this had served their national interest.

"It is of course not easy to sustain "prosper thy neighbour policy" when your neighbours are strange or different, when they might cause you so much trouble and inconvenience or say the wrong things about you and so often show no gratitude whatsoever. But I assure you that the returns are worth all the difficulty," he said.

Dr Mahathir also stressed the need for Asian nations to work together to shape the international economic system within which they have to work.

He said he had in the past been impressed so often with the posture taken by India in, for example, the World Trade Organisation (WTO).

"India must continue to provide leadership on global economic issues and on the course and development of globalisation," Dr Mahathir said

He suggested that Asean and India work on a comprehensive economic partnership that would be mutually beneficial to both parties and to the rest of Asia and the world.

He said there was today the Asean Plus Three process involving the 10 Asean states, China, Japan and South Korea and this would develop because of its profound logic.

He recalled that at the Brunei Asean Summit in November last year, China and Asean agreed to form an Asean-China Free Trade Area and in Brunei last month the Economic Ministers of Asean and Japan agreed to conclude an Economic Partnership Agreement, including a Free Trade Area, within 10 years and to start negotiations next year.

"It will be interesting to see here, in India, how strong is the interest in an Asean-India Economic Partnership Agreement. In this case too, there is a profound logic," he said.

Earlier Dr Mahathir arrived by executive jet at New Delhi's Palam International Airport from Hyderabad.

The Malaysian Prime Minister is scheduled to call on India's President Abdul Kalam and hold talks with his Indian counterpart Atal Bihari Vajpayee.

-- BERNAMA

ZS HK AAM