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MAHATHIR-NIKKEI

DR MAHATHIR TELLS S.E. ASIA TO DEVELOP SYMBIOTIC TIES WITH CHINA

By: Siti Hawa Othman

TOKYO, May 21 (Bernama) -- Rather than worry about China's rapid emergence as an economic powerhouse and its potential to pull away trade and investments, Southeast Asian countries would do better to develop a symbiotic relationship with that country that promises a win-win situation for all, says Datuk Seri Dr Mahathir Mohamad.

"We have a need to understand the problems posed by China and we can then design an approach that will minimise the challenge and maximise the opportunity," the prime minister told an international conference here today.

In his keynote address entitled, "China - A Challenge or an Opportunity for ASEAN", at the 8th Nikkei International Conference here whose theme was "The Future of Asia - Emerging China and the Changing Regional Framework", he said China had realised that a prosperous and stable Southeast Asia would be good for it.

Dr Mahathir told the largely Japanese audience that the only thing that South East Asians needed to worry was their attitude towards China.

He said if Southeast Asia tried to contain China, then an atmosphere of confrontation would develop, wasting resources on preparations for conflicts and bringing no benefit to the region.

"But if Southeast Asia accepts the fact that China is there, that it cannot be wished away, that it is going to play its role in the economic development of East Asia and the world and accordingly look at China as it does Japan and Korea, then, as much as Japan and South Korea have contributed towards the prosperity of Southeast Asia, China too will do the same," he said.

Dr Mahathir, who arrived here yesterday for a three-day working visit from May 20-22, also held a closed-door meeting with Japanese Prime Minister Junichiro Koizumi at the latter's office at Sori Kantei this morning.

In his keynote speech, Dr Mahathir said although China would pose a challenge to Southeast Asian countries, the fact that they were all part of the proposed East Asian Economic Grouping (EAEG) would help resolve much of these problems.

As China would become a member of the EAEG, challenges posed by China that might be damaging to Southeast Asian countries could be discussed and mitigated at the forum.

"What remains would be opportunities for Southeast Asia to benefit from China's economic prosperity and stability. Thus, China is both a challenge and opportunity," the prime minister said.

In this respect, he said Southeast Asian countries would have to learn to manage the challenges and seize the opportunities.

"The chances are that at worst, a balance will be attained but with astuteness, Southeast Asia will benefit more from the opening up of the ever richer Chinese markets," he said.

A rich China, he said, would need quite a lot of things that it could not produce by itself and that its needs for everything would be enormous.

For instance, Dr Mahathir said Malaysian and Indonesian palm oil should find a ready market in China and so would pulp and paper, oil and gas and chemicals, and the availability of feedstock would give a competitive edge to quite a few Southeast Asian countries.

"China therefore cannot impoverish other countries to the extent that

they cannot buy Chinese products. Hence, it is imperative that China ensures the survival and prosperity of the countries which will be its markets," he said.

"And this may mean increasing Chinese investments in these countries and increasing purchases of raw materials and components produced by these countries," he added.

With the Asean Free Trade Area (Afta) acting as a stimulus to more intra-Asean trade, Dr Mahathir said Asean too would not be a walkover for China.

"Life will be tougher. Foreign Direct Investments will diminish. The export-led growth will not be easy any longer. But Southeast Asian countries will be able to find a niche for themselves.

"Working together, they will be able to use their combined market to match that of China. Together, Asean 10 has nearly half the population of China and their average per capita is as high as China's," he said.

Given a period of peace and stability, Asean countries could grow and develop to become an attractive market and continue to be a good location for FDIs," Dr Mahathir said. -- BERNAMA

SHO MR SHY