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(PRIME MINISTER)

EVENT: THE OPENING CEREMONY OF THE TENTH MEETING OF THE ASEAN
MINISTERS ON AGRICULTURE AND FORESTRY (AMAF)

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DATE: 20 OCT 1988

TIME:

Your Excellencies;
Distinguished Delegates;
Ladies and Gentlemen.

It is indeed a pleasure and privilege for me to address this distinguished gathering of the ASEAN Ministers on Agriculture and Forestry this morning. On behalf of the Government of Malaysia, let me take this opportunity to extend our warm and sincere welcome to Your Excellencies and distinguished delegates to Malaysia. This is the second occasion that Malaysia is playing host to the Meeting of the ASEAN Ministers on Agriculture and Forestry; the first occasion being, in October 1982. It is my sincere hope that your deliberations will be fruitful and that your stay here will be most pleasant.

Ladies and gentlemen,

2. ASEAN has emerged as a strong regional grouping committed to maintaining political and economic stability in the region through cooperative endeavours among its member nations. Apart from resolving issues of political consequences to the stability of the region, economic co-operation in the field of agriculture, fisheries and forestry assume special significance within ASEAN. Agriculture is still the mainstay of the majority of the economies of ASEAN member countries. It still provides employment and livelihood to a majority of our populace, and as a common feature, the agricultural sector as a whole is still faced with problems of poverty and malnutrition.

3. In Malaysia for example, though it is putting greater emphasis on the manufacturing industries, rural and consequently agricultural development is still a subject of high priority. The objective in rural development has been and continues to be the redressal of poverty among the rural population made up of subsistence farmers, smallholders, fishermen and landless agricultural workers.

4. Urban poverty does exist and it would be grossly unfair and unjust not to recognise it and to ameliorate it. But poverty in the developing countries is largely rural and involves agriculturists. The belief that mere redistribution of land would overcome rural poverty has not been fully proven. Even where land is owned by the tillers

of the soil extreme poverty persists. If the developing countries are going to rely on agriculture, and they must if they want to avoid hunger, then they must reexamine their agricultural practices in order that they do not impoverish the farmers who supply them with food.

5. ASEAN, like many other developing countries, have not neglected agriculture or rural development. We can be justly proud of the notable achievements that have been made in technical as well as economic co-operation in our region. However, much more can be done if we could strengthen our co-operation in the area of agricultural practices and trade. We have a need to learn from each other and to present a more united front when dealing with the developed world, our major market. It is not a cartel that we should propose but it is important to remember that the developed countries are getting closer together and they will soon adopt a single policy or approach in their trade with us.

Ladies and Gentlemen,

6. The contribution of the industrialised countries towards the development of third world countries is well recognised. The developed or industrialised countries have done much in providing technical assistance to the developing countries in order to accelerate rural development. But developing countries need money with which to develop. Although aid, both technical and financial, can help, in the final analysis it is equitable trade which will enable rural poverty to be reduced. As the rural areas are agricultural, trade in agricultural produce means a great deal not only to a developing country but to the farmers themselves.

7. Presently, the economic activities of the developing countries are adversely affected by the economic policies and trade practices of the industrialised countries. Among these are manipulation of food surpluses in the rich industrial countries, control over commodity trading and prices and protectionist policies which have direct and adverse consequences on the economies of the developing countries.

8. In recent years, food surpluses in the rich industrialised countries have increased tremendously because massive farm subsidies tend to encourage farmers to produce more and more. That their local market cannot absorb what they produce seems of little concern to them. They are even less concerned with the disruption they cause in the international market where their surplus is sold at below cost. Unable to compete in this environment, the farmers of developing countries are doomed to poverty. Technically they are less efficient but it is the distortions caused by massive subsidies in developed countries which is killing them, frequently literally.

9. If indeed the developing countries are to progress in

the true sense of the word, then the apparent contradiction, of on the one hand helping developing countries to increase their outputs whilst on the other hand denying them market outlets, must be overcome. ASEAN as a grouping of developing countries still dependent on agriculture must work closely together in the GATT rounds of talks in order to persuade the developed North to adhere to the understanding on standstill and roll-back of subsidies for farmers. It is worthwhile to note that developing countries like Malaysia not only deny subsidies for agricultural production but impose cess and export duties on them.

Ladies and Gentlemen,

10. To my mind, ASEAN, as a regional grouping, must address this problem in a determined and concerted manner. In this connection, future collaborative efforts in the field of agriculture and forestry should not stop purely at agro-technical fields, but must also be geared towards obtaining more favourable trade arrangements for the benefit of member countries.

11. ASEAN's agricultural trade has traditionally been based on the export of primary commodities. In the past few years, we have seen how the decline in prices of commodities in the world market have depressed agricultural commodity trading and affected our respective economies. The declining commodity prices have affected the terms of trade so much that for the same amount of manufactured goods from the developed countries we have to sell two to three times more of the commodities we export. Additionally we are meeting more and more unethical trade practices on the part of powerful competitors from the North. The cost of countering such unfair practices is so high that alone we will fall one by one. The need to cooperate is therefore more urgent now.

12. Regional interests aside, ASEAN must lend support to global efforts at eliminating protectionism. To this end, ASEAN must support the MTN - Uruguay Rounds which is to be held for a period of four years beginning this year. There is no denying that the Uruguay Rounds is of special interest to us as it involves negotiations with other member countries of the General Agreement on Tariff and Trade (GATT) for the purpose of eliminating protectionism. As you are all aware, the Uruguay Rounds was specially called for by the Ministerial Declaration at the Special Meeting on MTN in Punta Del Este in September 1986 in view of the increasing number of GATT member countries that are exercising protectionist policies.

13. It is relevant to mention here that the group on agriculture has carried out several rounds of negotiations in Geneva, but without much encouraging results so far. This has been largely due to the posture adopted by certain highly industrialised countries with regard to the approach in reducing subsidies in the production and trading of

agricultural commodities.

14. Nonetheless, I am happy to note that the "Cairns Group", of which Malaysia is a member, is currently working on a proposal which the group feels will be acceptable to the developed countries concerned. The proposal will be submitted for Ministerial approval at the Mid-Term Review of the Uruguay Rounds scheduled to be held in Montreal, Canada in December this year. Hopefully, this effort will lead to the liberalisation of agricultural trade at the international level in the long run.

Ladies and Gentlemen.

15. I am very optimistic that with close collaboration between member countries, ASEAN can overcome the obstacles to economic progress in the region. At this juncture, I would like to take the opportunity to congratulate the Committee on Food, Agriculture and Forestry for the commendable efforts it has undertaken thus far towards accelerating agricultural development in the region.

16. I am glad that the Committee, through its various subsidiary bodies has formulated several collaborative projects for the benefit of member countries. It is noted that many of these projects have been either successfully implemented or ongoing, while delay in the implementation of some projects have been occasioned by the inability to secure third party funding for those projects.

17. However, it is heartening to note that the Committee on Food, Agriculture and Forestry in its efforts to overcome the constraints, has embarked on new initiatives to further enhance co-operation in the field of food, agriculture and forestry. These new initiatives which were considered and approved at the ASEAN Summit Meeting in December 1987 highlighted, among others, the main areas of cooperation and the mechanism for their implementation which include generation of funds from within ASEAN itself, and the participation of the private sector in the implementation of the projects.

18. These initiatives by the Committee are indeed commendable, for such efforts will surely go a long way towards speedier implementation of projects and encourage the sharing of available resources within the region for mutual benefit. It is my fervent hope, therefore, that the Ministers on Agriculture and Forestry, the Committee on Food, Agriculture and Forestry and the various subsidiary bodies under it will address themselves to the Summit decisions and translate into meaningful activities the "Programme of Action", especially with respect to participation of the private sector, in order to ensure the achievement of the immediate and long term goals of ASEAN in food, agriculture and forestry.

19. I am convinced that these endeavours if relentlessly

pursued, will not only help ASEAN to bring about positive institutional changes in the agricultural sector but will also ensure the desired human resources development in that sector.

Ladies and Gentlemen,

20. Given the above framework, I know that the task you have before you is not an easy one. Nevertheless, I am confident that you will give the best of your efforts to achieve our objectives in the true spirit of ASEAN solidarity, co-operation and understanding so clearly manifested up till now. Once again, I wish you all a fruitful and successful deliberation.

21. With great pleasure I now declare this Tenth Meeting of the ASEAN Ministers on Agriculture and Forestry open.