

SPEECH BY: DATO' SERI DR. MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: THE OFFICIAL DINNER HOSTED BY HIS EXCELLENCY PRESIDENT
CARLOS SALINAS DE GOTTARI OF THE REPUBLIC OF MEXICO

VENUE: MEXICO CITY

DATE: 17 SEP 1991

TIME:

His Excellency, President Salinas,
Madame Salinas,
Distinguished Guests,
Ladies and gentlemen.
Excellency,

Thank you for your very warm words of welcome to my wife and I and members of my delegation. We are delighted to have this opportunity to visit your country. Mexico has a rich historical and cultural tradition going back many thousands of years. The great Aztec and Maya civilisations, which were both centred in this land, were well known for their achievements, especially in architecture, science and astronomy.

2. Today, under Your Excellency's able leadership, Mexico continues in this fine tradition of being a pace-setter. Your efforts to liberalise Mexico's economy, stimulate private sector participation and further integrate Mexico with the world economy have been viewed positively not only in the Americas but also in East Asia. Your liberal economic policies also provide new opportunities for bilateral and inter-regional trade and economic cooperation.

Excellency,

3. We are living in a time of rapid change and we are confronted with both challenges and opportunities. A new world order characterised by the ability of a few powers to impose their own agenda on the global community both politically and economically appears to be in the making. Political agendas are being foisted upon countries regardless of the enormous social and economic dislocations that follow and which often lead to chaos and disintegration. Malaysia has always practised democracy but we believe that democracy thrives best in an environment of economic growth and free trade. It is almost cynical for developed countries to press for democratic reform while denying nascent democracies market access. This will only lead to weak and unstable democracies forever dependent upon the developed countries.

4. On the economic front, the developed countries continue to hold the international trading system hostage by their

refusal to eliminate agricultural subsidies. Without a firm commitment to internationally agreed rules, developed countries appear to be resorting to unilateralism and regionalism in the conduct of trade. More ominously, developed countries are also increasingly resorting to new conditionalities ranging from so-called human and labour rights to environmental issues to hinder the economic progress of developing countries.

5. In the light of these challenges, developing countries need to cooperate more closely with one another. Our goal has never been confrontation with others but simply the evolution of a conducive environment that would enable us to prosper and grow. Malaysia looks forward to cooperating with Mexico in pursuit of this vital objective.

Excellency,

6. Apart from this, we must also enhance cooperation amongst developing countries. You may recall that at the first summit meeting of G-15 countries, we agreed to make this a priority issue. In pursuit of this objective I have travelled to many developing countries including those in the Americas, to explore avenues for greater South-South cooperation. While there are many opportunities for trade and cooperation, they are very frequently left unexploited because of our preoccupation with established markets. Cooperation amongst developing countries does not have to be at the expense of our linkages with established markets. It should result in additional markets which can help us diversify and perhaps reduce our over-dependence on just a few markets.

7. It can also help identify new sources of technology for us. Several developing countries are now participating in Malaysia's development programmes including road building, construction, rural electrification and heavy industry. We are satisfied with their work and will continue to open our economy to developing countries. We also welcome Mexico's participation. Indeed, a Mexican company is already involved in our steel industry.

8. I am convinced that the economic liberalisation that is now sweeping much of the developing world will result in a new era of progress and prosperity and provide greater opportunities for mutual cooperation among developing countries. It would be tragic if the liberalisation of developing countries only benefit the developed countries.

Excellency,

9. Earlier I had mentioned the trend towards economic regionalism. In the Americas, Mexico's decision to negotiate membership of a North American Free Trade Area or NAFTA is highly significant. Malaysia and others in East Asia have some concern as to how this could effect international trade. We, however, look to Mexico to help ensure that such a regional grouping does not adversely affect the free and open international trading system that we all depend upon.

Most developing countries need access to a broad spread of markets and therefore do not want to see the world fracture along economic fault lines.

10. In East Asia, there is increasing concern over the future of the international trading system. The East Asian economies today enjoy some of the highest growth rates in the world and we have prospered because of international trade. The non-progress of the Uruguay Round and increasing trade disputes is therefore something we worry about. With this in mind, Malaysia has proposed the formation of an East Asia Economic Group that would be committed to upholding the open international trading system. It would act as a consultative forum to discuss issues affecting international trade and play a balancing role in support of the international free trading system.

11. I know Your Excellency fully share this commitment to international trade and economic cooperation. Since coming to office, you have in fact given emphasis to Mexico's relations with other regions and especially with the Asia Pacific region. Mexico is active in the Pacific Economic Cooperative Council (PECC) and the Pacific Basin Economic Council (PBEC) and has moved to establish a diplomatic presence in most of the Asia-Pacific countries including Malaysia. I welcome this very much. Mexico is as much a Pacific nation as other North American countries and can play a useful role in emerging structures of Pacific cooperation including APEC. You can therefore be sure of our support in this regard.

Excellency,

12. We have had very fruitful discussions today. As we both agreed, the opportunities for mutually beneficial cooperation are vast. Both the Bilateral Payment Arrangement that was signed last August and the Trade Agreement which we will sign will give stronger impetus to bilateral cooperation. More importantly will be the contacts that our respective private sectors will establish in the course of this visit. I am greatly heartened by your own commitment to private sector cooperation as evidenced by your decision to meet personally with the Malaysian businessmen in my delegation. This cannot but augur well for the future of our relations.

13. Before I conclude, may I once again thank you for your kind hospitality and for receiving us with such warmth and friendship. We will certainly take back with us many pleasant memories of our visit to Mexico.

Ladies and gentlemen,

14. May I now invite you to join me in a toast to the good health of His Excellency President Salinas and to the friendship and cooperation between Mexico and Malaysia.

