

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

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TIME:

On behalf of the Government and the people of Malaysia I bid you 'Selamat Datang' to Kuala Lumpur for the 24th ASEAN Ministerial Meeting. Malaysia is indeed honoured to host this annual event again after six years. I hope your deliberations will result in new consensus and achievements that will further strengthen our association.

2. I would also like to extend a warm welcome to their Excellencies the Deputy Prime Minister of the Soviet Union and the Foreign Minister of the People's Republic of China who are attending the ASEAN Ministerial Meeting for the first time. We are indeed delighted to have both of you as Malaysia's honoured guests. Your presence at this meeting is indeed a clear reflection of the importance you attach to ASEAN as a regional association. Now that ASEAN and the Soviet Union as well as ASEAN and China have decided to sit together in conference, the ideological barriers between us have been overcome. There is, however, the psychological barrier to cross, so let us work together towards more fruitful relations between us in the interest of peace and security in the Asia-Pacific region.

3. We meet here at a momentous time in the history of the world in which events at the closing years of this century will rewrite the equation of political and economic balance in the emerging new world order. No other period during this century holds such promise of reconciliation and cooperation, for with the end of the Cold War the age of East-West division has ended. Unfortunately new uncertainties have arisen which threaten to erode the open global trading system.

4. While we applaud the reduction in East-West tensions and the dramatic speed at which the socialist countries have opted for democracy and the free enterprise system, we view with disquiet and growing concern the trade disputes between the economic super-powers -- the United States, Japan and the European Community. Another political and economic reality of the world today is the trend towards closed regionalism. Managed trade, bilateralism and trading based on reciprocity endanger the open multilateral trading system, and consequently the growth of world trade.

5. The stalemate of the Uruguay Round, the growing compe-

tition for market access and new adverse trade practices are ominous signs that discriminative economics and exclusionary trading policies will characterise the relations between the groupings of the developed world as well as between the developed and the developing world.

6. The economies of ASEAN and the many developing nations which are so dependent upon the open trading system are threatened by the new waves of protectionism. It is to defend the open multilateral trading system that the formation of an East Asia Economic Group (EAEG) has been proposed. The EAEG mirrors our basic belief in close consultation and cooperation between regional countries for the common good. It also reflects ASEAN's concern over the spread of regional trading blocs and constitutes a realistic approach to counter the adversarial and protectionistic stance adopted by some countries and economic groups which is putting the multilateral trading system in jeopardy.

7. Let me stress that the EAEG is not a trade bloc but the concept is that of a loose consultative forum comprising countries in East Asia. The EAEG will provide ASEAN and other East Asian countries the leverage and a platform to act in concert and speak with one voice with regard to any trade problems or trade-related issues that affect us directly or indirectly. It will not work to restrict or constrict trade. On the contrary, its imperatives will be the defence and maintenance of free trade and expansion of economic relations between regional countries as well as with those outside the region.

8. The ASEAN experiences have shown that when countries in a region consult and cooperate, their chances of stability and success are greater. It is no accident that the ASEAN countries have such good records of economic growth and political stability. Clearly an extension of such consultation and cooperation to encompass the countries of East Asia will have the same effect. Not only will the Zone of Peace, Freedom and Neutrality (ZOPFAN) be served but by helping the weaker economies of East Asia to grow, intra-regional trade will grow and the problems of economic migration resolved.

9. ASEAN and the other East Asian countries, whether economically strong or weak, need an anchor to weather and withstand the adverse trade winds which are blowing. A strong and united ASEAN, politically as well as economically, can bring the EAEG into shape and make it work for the positive benefit of all. The EAEG would be ASEAN's contribution to the maintenance of an open global trading system.

10. The West tells us that democratic freedom and human rights are fundamental for the achievement of economic and social development. We in ASEAN never disputed that democracy for the people and opportunity for the individual to develop his or her own greatest potentials are indeed important principles. We disagree, however, that democracy has

only one definition or that political systems qualify as democratic only when they measure up to certain particular yard-sticks. Similarly, the norms and precepts for the observance of human rights vary from society to society and from one period to another within the same society.

11. Therefore, when the issue of human rights are linked to trade, investment and finance we cannot but view them as added conditionalities and protectionism by other means. We question whether the motivations have not in fact been political and self-serving. Malaysia now faces a petition by the International Labour Rights, Education and Research Funds (ILRERF) to withdraw our trade privileges under the United States GSP. They say Malaysia has violated workers' rights and freedoms. This is not the first of such petitions and will not be the last. The American Federation of Labour -- Congress of Industrial Organisation (AFL-CIO) mounted similar petitions before. These labour organisations may seem to be concerned with the welfare of our workers but should their petitions result in the withdrawal of GSP privileges, the net result will be to reduce investments in our country and create unemployment among the workers. We should recognise their actions for what they really are.

12. Governments in developing countries constantly face the problem of securing a fine balance between the need to ensure national economic development and the kind of individual and group disruptive activities which tend to destabilise society and inhibit growth. Nobody can claim to have the monopoly of wisdom to determine what is right and proper for all countries and peoples. It would be condescending, to say the least, and suspect for the West to preach human rights to us in the East.

13. In the ASEAN experience, we have learnt that both at the national and regional levels, peace and security, democracy and freedom as well as stability are possible and sustainable only when the people are free from economic deprivation and have a stake in the national life. Rightly, ASEAN countries have placed a high premium on political stability by managing a balance between the rights of the individual and the needs of the society as a whole. This has enabled the ASEAN countries to make great strides in the socio-economic advancement of their peoples. It has also enhanced the resilience of individual countries and the ASEAN region as a whole. However, ASEAN needs to do more.

14. ASEAN is 24 years old this year. It is cohesive, united by shared geography, common goals and economic dynamism. It is today much envied by many. Its success in providing a climate of peace and stability has enabled its member states to concentrate on economic development, resulting in our economies being among the fastest growing in the Asia-Pacific region. We achieved a growth rate of about 8 per cent in 1990, a record that we are all proud of and must strive to maintain, if not to improve.

15. However, we cannot be content with the present level of ASEAN cooperation: ASEAN has a greater role to play in international relations and in promoting intra-ASEAN economic cooperation. ASEAN must proceed to a higher plane of cooperation, collective action and self-reliance in order to have an effective voice in international, inter-regional and multilateral fora.

16. It is only a strong and united ASEAN which can exert its collective weight and voice to ensure that justice, fair-play and even-handedness continue to be the guiding principles in the construction of the new international political and economic order. It is only a strong and united ASEAN which can contribute towards shaping that new order.

17. While regional peace and security are essential preconditions for our economic growth, the new world order which we should strive for is not only one that is free from the threat of war but it should also be a world free from poverty, hunger and diseases as well as an order which promotes equal economic opportunity and easy access to modern technology for all countries and peoples. And, most important of all, it should be a world order which recognises that countries and peoples can and must be allowed to maximise their national political, economic and social potentials in ways compatible with their historical, cultural and national circumstances.

18. It is from a strong ASEAN base that we should approach the question of peace and security of our immediate wider environment in the Asia-Pacific region. ASEAN has already made its mark in terms of geo-politics. The relevance of ASEAN for our regional existence as well as in international affairs has been proven beyond doubt. It is equally important that we should make ASEAN relevant in terms of geo-strategy. A new strategic environment is clearly developing in the Asia-Pacific region following the effective ending of super-power rivalry in the area, but the shape of new things to come is yet unclear. This is for the ASEAN countries to study and assess together so that an effective and positive ASEAN contribution to peace and security in the Asia Pacific region can be made.

19. In Southeast Asia itself, it is time for ASEAN to consider how the non-ASEAN states of the region can now be brought into the regional mainstream. The ZOPFAN Declaration of 1971 was an acceptance on the part of all member states of ASEAN of certain basic principles of intra-regional relations. The Declaration also provided the guiding principles for extra-regional interstate relations. The Treaty of Amity and Cooperation of 1976 elaborated on these principles and invited acceptance of them by others in the region. Regionalism in Southeast Asia has to be brought to a higher plane from the process of communication and consultation to that of conscious and organised interdependence between all the regional states. Just as ASEAN provides for

politico-economic interdependence, I believe the relevant elements of ZOPFAN and the Treaty of Amity and Cooperation can provide the structured politico-security framework for that organised interdependence between all Southeast Asian states.

20. A rapid pace of economic development requires an environment of peace and security. For so long as the Cambodian problem remains unresolved, it will continue to affect the peace and security of the region. Much honest efforts have been made to find a durable solution. Urgent matters on the international economic agenda requires our full attention. A Cambodia continuing to be at war will not only mean unending misery and suffering for its people but also affect the progress of the region.

21. At a time when regionalism is beginning to assume new importance in international economic affairs, we cannot afford to have the continuing division and the separation of the Indochina countries from the rest of South East Asia. A Cambodia mired in perpetual turmoil while the other parts of the region and the rest of the world passes them by is a possible scenario, but we wish to prevent that from happening. However, in order to enable them to integrate into the regional life, Cambodians must first find peace among themselves. We are therefore much encouraged by the unanimous election of His Royal Highness Prince Sihanouk as the President of the Supreme National Council. We are confident under his wise leadership, the Cambodian parties would be able to achieve national reconciliation and reach agreement of a comprehensive political settlement.

22. There is no doubt that in the area of political and diplomatic cooperation ASEAN has made an international impact. But our performance on the economic front requires substantial upgrading. For more than ten years now, ASEAN's collective energy has been concentrated on finding a solution to the Cambodian problem. While we should continue to persevere until a solution is found, it is timely to give proper attention to economic matters. We need to refocus our economic cooperation, both internal and external, on those crucial areas that really matter. There must be new initiatives and ideas to step up economic cooperation, to give our economic front sufficient leverage, as well as to consolidate and upgrade our present cooperation.

23. While ASEAN should not be a trading bloc and each ASEAN country must remain free to trade with other nations, increasing steps should be taken to increase regional integration. We should be bold enough to examine specific areas where there can be greater regional integration, as for instance intra-regional trade.

24. ASEAN's experience in the last world-wide economic slowdown of 1985-1987 period was a painful one. But it was a lesson well learnt. It is imperative that ASEAN pools its resources and collectively create a conducive economic cli-

mate in the region for renewed and enhanced growth. An ASEAN supported by economic strength will have a stronger voice in international negotiations for fairer trade terms with the developed countries.

25. To-date our volume of intra-regional trade and investments remains small. The volume of intra-ASEAN trade remains at a low 20 per cent of ASEAN's total trade despite an increase in the number of products under the ASEAN Preferential Trading Arrangement. We cannot continue with the piece-meal approach to trade liberalisation among ourselves. I support, therefore, the recent proposal made by Prime Minister Anand of Thailand that we work towards the establishment of an ASEAN Free Trade Area sometime by the turn of the century.

26. I see merit in establishing an ASEAN Free Trade Area although there are many structural factors that inhibit our economic integration, such as our different levels of economic development, our competing economies, our lack of industrial complementation and our frequently divergent perceptions of short and long-term benefits both for the individual nation and the region. I appreciate that these are hard issues and harder still to make the choices. But make them we must if ASEAN wishes to be counted as an economic force in her own right.

27. Our economies, having registered some of the fastest growth rates in the Asia-Pacific region, will continue to grow, perhaps at a slower rate in view of the poor international economic climate. The future of the international trading system may be uncertain, but we are quite certain that the ASEAN economies will grow from strength to strength. Therefore, the factors which inhibit integration will no longer be so formidable or even relevant by the first quarter of the 21st century. By then, the economic disparity between ASEAN member states will have narrowed considerably, external and internal markets for ASEAN products would have expanded thus making the problem of competing economies less relevant.

28. Much as we need vision and foresight to chart the direction for ASEAN's future growth, we need more the courage and collective will of all to set our objectives on course and the achievement of these objectives within a time frame. We should set our minds to achieve what is, after all, quite possible.

29. As a start and for which we are already doing, albeit not in the pace that we should, there is the urgent need to liberalise our trade substantially within the grouping. Trade liberalisation will not only bring our economic cooperation to a higher plane, it will also reinforce our trade links with other countries and regions. We should strengthen our political cooperation by economic means. There is much room to increase trade flows, to create a larger market for complementary industrial ventures, to en-

courage greater private sector participation and to widen as well as give more impetus to ASEAN industrial joint ventures.

30. Just as we ask our trading partners to heed our call for a fairer and equitable trade terms, we have to demonstrate positive efforts of our own. I am quite certain that a liberalised ASEAN trading area will be a source of strength for us in the wider multilateral trading environment.

31. When we advocate a more economically integrated ASEAN, no one should mistake it as an idea to make ASEAN a trading bloc. Far from it. The outward dependence and orientation of our economies make it impossible for us to be self-contained or inward-looking. It would be illogical for us to abandon the multilateral trading system under which ASEAN economies have prospered. Consistent with our dependence on the open international trading system and multilateralism, ASEAN cannot but defend and seek to preserve them.

32. Much has been said about the need to revamp the ASEAN Secretariat. There is now consensus to restructure and strengthen the Secretariat to enable it to step up programmes for intra-regional as well as extra-regional economic cooperation. But consensus must readily be turned into reality. It is in ASEAN's interest to be innovative, to improve its coordination and to accelerate the process of decision-making in the light of rapid changes in global economic conditions. A strong and effective Secretariat is a necessity to bring about changes in the methods and increase in the substance of ASEAN economic cooperation. Your task is to determine how best the ASEAN institutional machinery and in particular the ASEAN Secretariat is to be improved bearing in mind the requirements of the Association in the future.

33. A strong and effective ASEAN Secretariat will pave the way towards making ASEAN more economically integrated. It is therefore essential that we work towards making ASEAN more viable and relevant in the next century. It will engender self-reliance and resilience, enabling ASEAN economies to sustain economic dynamism and to withstand economic crises.

34. With the conviction that we are setting out on the right course and with hope that you will conclude your deliberations on these pressing issues with speed and consensus, I now have great pleasure to declare open the 24th ASEAN Ministerial Meeting.
Thank you.