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I am greatly honoured to have been selected to receive this ASEAN Millennium Award. The conferring of such an award is also an added honour to Malaysia. On behalf of my country, allow me to express my deepest appreciation to the ASEAN Business Forum, in particular to its Board of Directors, for choosing me for this award. Malaysia is as much aware of the honour as it is aware of the responsibilities given the current pressing challenges confronting ASEAN. The consensus around the ASEAN Business Forum reflects confidence in ASEAN but equally it also reflects legitimate expectations on the part of other members of ASEAN.

2. I am grateful for this opportunity to share with you some thoughts about ASEAN, to think aloud, as it were, about this Association of 10 nations in the South East Asian region. Looking back on the history of ASEAN, its creation was premised upon the need for a forum to discuss largely the problems of managing relations between newly independent nations whose historical backgrounds were rather different and who were almost forcibly kept apart. The early leaders of the ASEAN countries were strangers to each other, as were the people. Indeed they were suspicious of each other, aggravated by territorial claims and differences in their political perceptions.

3. Under such conditions the initial contacts were mainly social of the getting-to-know-you kind. It was only gradually that barriers were broken, first between the leaders and then between the people. In time however it became a habit for ASEAN leaders to meet wherever international conferences take place. Then business leaders and other groups got into the act. Precedents and traditions were established as for example the custom of new leaders of ASEAN countries visiting the other leaders upon their assumption of office.

4. The differences are still there but they have not hindered cooperation on economic matters and even on certain aspects of international politics. Much

remains to be done but there is little doubt that ASEAN is a very real grouping that has benefited the members in their dealings with each other and the rest of the world.

5. Today, ASEAN has become an economic and political force that has to be reckoned with in the region. Since its inception 34 years ago, it has already achieved a degree of cohesion, unity and capacity for concerted action that has elicited quite respect and emulation by many other regional organisations of developing countries.

6. This is partly due, I believe, to the nature of ASEAN's inception in which rare statesmanship played a role and laid the ground for ASEAN's spirit of solidarity and its sense of common purpose in the face of pressures and challenges coming largely from outside as the prosperity of ASEAN countries attracted the greedy and the unscrupulous together with the serious investors. Common interests also lead to cooperative action for economic and social development, adherence to the principle of peaceful settlement of disputes, and scrupulous observation of the principle of non-interference in the internal affairs of member states. These attributes provide the bases for ASEAN's rapid development, its attitudes, policies and the conduct of its relations with other countries.

7. In essence, the nations of ASEAN, both collectively and individually, have made significant contributions to the peace and stability of the region by their political pragmatism and economic dynamism. While pursuing their national priorities, ASEAN governments never fail to take into account the larger interest of the region. For Malaysia the conduct of its policies and relations with its ASEAN neighbours fitted well with a policy premised on the belief that prosperous neighbours will not only have less domestic problems which impact on neighbours but, can actually help prosper it by being a richer trading partner. It therefore pays for neighbours to help prosper each other.

8. ASEAN as a group can obviously contribute much towards the growth and advancement of the region. The ASEAN Vision 2020, provides an outward and forward looking ASEAN, living in peace, stability and prosperity, bonded together in partnership for dynamic development and in a community of caring societies. To achieve this vision, one must not forget that economic development is the most important factor that will contribute to growth and stability. That is why in ASEAN, we would like to see more economic integration put in place, and it is for this reason that we have

conceived the idea of the ASEAN Free Trade Area (AFTA).

9. As can be seen, ASEAN is moving towards a truly integrated economy. Trade barriers are coming down. Tariffs on almost all products traded by ASEAN nations will be down to five per cent or zero in just a few short years. Even now products of companies with related operations in two or more ASEAN countries may flow freely within the region with tariffs of at most five per cent or none at all.

10. Trade among ASEAN countries is being made easier with the harmonisation of standards and procedures. Infrastructure linkages including transport, energy and telecommunications are being expanded and strengthened. Together we are projecting the ASEAN region as a very attractive place to invest and to do business.

11. In this regard, under the ASEAN Investment Area (AIA), which was adopted by ASEAN, foreign investors could take advantage of privileges offered under the AIA. ASEAN countries are also opening up and giving national treatment to other ASEAN investors including joint ventures between ASEAN and foreign companies.

12. There is also the ASEAN Industrial Cooperation (AICO) scheme, which gives AFTA treatment to products traded within ASEAN by companies operating in two or more ASEAN countries.

13. Given the rapid expansion of electronic commerce in the global economy and recognising that our future competitiveness depends on our ability to develop and use information technology, ASEAN is now focussing on the application of information and communication technology to enhance trade. ASEAN is now developing an action plan on the necessary infrastructure to promote e-ASEAN.

14. I personally wish to reemphasise the importance of the physical linkages between ASEAN countries so as to further facilitate ASEAN economic integration. At the ASEAN Informal Summit in Singapore last year, Malaysia proposed the Singapore-Kunming Rail Link (SKRL) project, which our own experience in railways shows that it can be a powerful catalyst for economic development. There were also proposals for the ASEAN highway network, the ASEAN Power Grid and the ASEAN Gas Grid. All these present enormous opportunities for investment and would stimulate other forms of investment and economic activities.

15. In looking forward towards the free flow of products and services in ASEAN, we must not forget the financial crisis that hit our region four years ago.

The precipitators of the crisis were the unscrupulous rogue currency traders. They saw nothing other than profits for themselves. The serious social, economic and political turmoil they created in their trail is of no concern to them. The financial crisis of 1997 halted the spectacular growth of ASEAN's economy. FDI inflow fell from 28.1 billion U.S. Dollars in 1997 to 16.1 billion U.S. Dollars in 1999. Per capita income of ASEAN which stood at 1384 U.S. Dollars in 1997 was reduced to 930 U.S. Dollars in 1998, a drop of 33 per cent. Many people were left without jobs as companies could no longer bear the rising costs of doing business. Those people who were laid-off had to feed their families and matters were made worse when the IMF insisted that subsidies for food, cooking oil and fuel must be stopped. The result was predictable. The people turned violent and this only contributed towards even greater deterioration of the economy, to making recovery even more difficult. Still the blame is on the Governments, on their corruption and lack of transparency etc. That these same Governments were the ones which had so miraculously developed their countries and made them economic tigers was forgotten or ignored. The rogue currency traders and the international financial system, the IMF and the World Bank were regarded as blameless.

16. The Asian financial crisis is not over yet. It will not be over until the International Financial System is changed and those who abused it are curbed. For a time there was talk of a new international financial architecture. There were a few meetings of selected nations but the whole thing has fizzled out. It looks like nothing is going to change.

17. But now globalisation is being promoted aggressively. We have had a fortaste of globalisation when the currency traders devalued our currencies and precipitated a financial crisis of unprecedented severity. Are we going to accept globalisation without question, a globalisation conceived and interpreted by the rich countries, which is manifestly in their interest?

18. Nowhere should the ASEAN countries be more united than in the negotiations for a new world economic order as will happen at the WTO. The first round of the negotiation had resulted in various undertakings by the proponents, which to date have not been fulfilled. We have not seen the flow of capital in the direction of developing countries, which we are told would happen. Indeed we have seen just the opposite, a massive outflow of capital from our countries, which has almost completely destroyed our economies. Now a new round is proposed in which non-trade issues, such as labour

standards, human rights, democracy, child labour are to be linked and made conditions for trade and investments.

19. These issues are important and they should be promoted but there are other forums for discussing them and making them conditions for trade and investments will retard the growth of many developing countries. The rich countries had taken more than a century to reach their present status of social, economic and political sophistication. It is unrealistic to expect developing countries to achieve such levels of sophistication overnight. Linking these issues with trade and investments will surely impose tremendous strains on poor developing countries. Instead of their sharing in the wealth they are likely to become poorer and poorer, while the rich wax ever richer.

20. But what is frightening is the preparation being made by the rich to take full advantage of the WTO and the free borderless market. We see the huge corporations and banks of the rich already merging and acquiring each other so that they become colossal and unbeatable. Only a few players will be left in every major field. Banks, manufacturing industries, transport corporations etc are now being consolidated through mergers and acquisitions so that the small and the weak would just not be able to compete and survive.

21. Perhaps, this will be good for efficiency, although I doubt it. But when business corporations become richer and bigger than most nation states, they will want to dictate to the whole world so as to cater to their unlimited greed. Nations will cease to be independent. They will become just units for the servicing of the great banks and corporations.

22. You may notice that at a time when the world is insisting on the rule of law by Governments, there is a demand that Governments should deregulate trade and business. It does seem that Governments must be curbed while big business should be allowed to do what it likes. The market is supposed to regulate itself, which is nonsense of course because the market is not in the business of promoting good social and political behaviour but in making as much profit as it can for the players.

23. Clearly the trend in globalisation is towards maximising the opportunities for the already rich to make more and more money at the expense of the sovereignty of countries and the social, political and economic needs of the countries.

24. Some ASEAN countries may believe that they can

deal and even benefit from the present interpretation of globalisation. And well they may. But it behoves us to look closely at the proposals and the agenda of the World Trade Organisation. We must know fully and exactly what are the possibilities and dangers which the new international economic regime will pose for us before we agree to a new round of WTO talks. We want to know exactly how have the rich countries complied with the agreements reached during the first round.

25. If ASEAN is to be meaningful it must look after the interest of all its members.

26. ASEAN countries must come together to negotiate the demand for a new round of WTO talks. There must first be consensus among ASEAN countries on the need to review the agreements reached at the first WTO. Following that a new agenda must be drawn up which must exclude extraneous matters. The effect on all countries, rich and poor must be fully understood and assessed before any support can be given to the formulation of a new international trade and investment regime.

27. Since countries are at different stages of development it is unrealistic to insist that everyone must adopt standard policies and practices. The poor must be given a lot of leeway, protection and time. The rich are not going to be destroyed if there is some delay and some regulations in the implementation of standard practices. We have already seen how one medicine to cure all financial ills have precipitated serious widespread and intractable crisis in the Asian countries. We do not want to see a continuous crisis for the whole world arising from an ill-considered world trade regime.

28. ASEAN is credible and relatively strong. It can play a role to bring about a more equitable world economic order. It must not think of its own interest only. Certainly it must not allow the interest of an individual country to supercede that of the group and the region.

29. The world is still very primitive. In terms of might is right our civilisation has not progressed beyond the stone age. Who can kill more people determines who can have his way. It is unconscionable that today more than three-quarters of the world are poor while a small number of people are as rich as whole countries. Wealth must be more equitably distributed.

30. The world is extremely rich in resources, human and material. There is no reason why any country

should be poor. It is entirely possible for wealth to be more fairly distributed. At present the globalised world with its huge free market is benefiting only a select few people, rich people with the capital to take advantage of the borderless world.

31. It is common for the people who acquire wealth in a country to give some back to the nations through taxes on incomes and profits. By the same token people who wax rich because the globalised borderless world afforded them unlimited opportunities for profits should return some of their profits to the world. The money can be used to build needed infrastructure in the poor countries, infrastructure which as we all know will stimulate economic development. When the poor are enriched, they will be more ready to buy the goods and services of the rich.

32. Clearly the rich will not lose by paying for the infrastructural development of the poor. They will get back their money many times over. So the rich should accept that as the rich citizens of a borderless world they should pay a minute tax to be used to help the poor.

33. So far ideas about the shape of things to come have originated from the rich West. It is time that the poorer nations of the world, ASEAN countries for example come up with ideas, which can shape a more equitable world. Taxing the rich international businesses can be one such idea. I hope ASEAN countries will dare to advocate this idea.

34. I thank you for the honour conferred on me and for giving me this opportunity to give the views of a universal recalcitrant.