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'Rich nations forsaking own doctrine'

PM: CHECK THREAT TO FREE TRADE

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KUANTAN, Sat. — Malaysia must be on guard against the unhealthy trade practices of some developed countries while at the same time seek ways to upgrade the performance of its exports in order to remain economically resilient, the Prime Minister said today.

At the same time, Malaysia must also go on the offensive to ensure that it did not succumb to the unhealthy means employed by those developed countries which no longer had confidence in their "own" doctrine of free trade.

Datuk Seri Dr Mahathir Mohamad said entrepreneurs must spare no efforts to ensure that products for export were of high quality while keeping production costs down.

Speaking at the opening of the Tanjung Gelang Felda complex at Kuantan port, Dr Mahathir said competition was good as it resulted in the production of high-quality goods and services. But it became a threat once those involved resort to unhealthy means.

On the imposition by the EEC of a levy on all vegetable oil imports, he said that "this certainly conflicts with the principle of free trade."

Dr Mahathir also mentioned the campaign by the American Soyabean Association against palm oil claiming the product was injurious to health.

He said this was clearly an attempt to hoodwink consumers in the United States and elsewhere into refraining from buying products that used palm oil.

Traditional markets

Therefore, he said, entrepreneurs especially those involved in palm oil, should not just be satisfied with opening up plantations and building factories.

There should be more downstream activities so that the produce could be used in the manufacture of consumer products.

The Prime Minister said that to ensure Malaysian products remained competitive, means would have to be devised to reduce the production costs without sacrificing quality.

He said all this must be supported by research and development, especially when earnings from palm oil formed a substantial part of the national income.

There should be on-going research on all aspects of the industry — agricultural, processing, costs, quality and new uses — so that the country could have more products to export.

Dr Mahathir officiated the ground-breaking ceremony of a resort on Pulau Tioman. He returns to Kuantan tomorrow for a meeting with leaders of State Barisan Nasional component parties.