

No special ties sought with EC: PM

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BRUSSELS, Sat. — Datuk Seri Dr Mahathir Mohamad said Malaysia and Asean are not seeking a special relationship with the European Community (EC) but a chance for fair trade and market access.

The Prime Minister said developing countries like Malaysia wanted the EC to always consider the plight of developing economies when formulating their national and regional policies, including the EC proposal for a Europe with uniform rules and regulations by 1992.

Dr Mahathir said Malaysia and many developing countries were apprehensive about the EC's proposal for a single market because the proposal might make Europe less willing to consider investments outside itself and might erect new tariff walls preventing the access of products from developing nations.

He made this point at a Press conference today following a dialogue with Belgian businessmen. Dr Mahathir's second day of his

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official visit to Belgium has taken him on a courtesy call on King Baudouin, an early morning meeting with the European Commission led by its North-South Commissioner Claude Cheysson, and an afternoon visit to a Belgian micro-electronics laboratory in Lauven, about half an hour outside Brussels.

Dr Mahathir said: "It worries us when the EC says it intends to have a single market union. We're concerned at the EC's decision which may make it difficult for developing countries to trade in Europe without paying high taxes and subject to high tariffs.

"We need to know and make preparations should the proposal become a reality in 1992. We don't want the EC to make irreversible decisions which may harm the economic interests of developing countries," he added.

Dr Mahathir said Malaysia, the co-ordinating chairman in Asean-EC dialogue, would continue to monitor and voice out the apprehension of developing countries on the proposal.

At the meeting with the EC, Dr Mahathir said it was easy for the EC to give assurances that the proposal

would not include the introduction of more tariffs but demanded that rhetoric must be matched with deeds.

He said developing countries had some bad experiences with the EC, particularly when it threatened to impose duties on edible oils, such as palm oil, to protect its producers.

He said Malaysia did not object to all forms of subsidies but considered excessive subsidies damaging to the interest of other producers competing in a free trade system.

"It becomes a matter of great concern when farmers are given subsidies not to help them survive but to make them over-produce.

"The problem appears when the excess products are dumped into the world market, thus affecting the livelihood of other dependants on similar products.

"This is a disservice to the farmers," he said.

In the meeting with Mr Cheysson, who was accompanied by the EC Commissioner of External Trade, Willy D' Clerc, Dr Mahathir asked for the Belgian and EC proposals which might be discussed during the Montreal mid-term review of the Uruguay round of GATT.

The EEC has yet to outline details how it would implement tariff reductions and

the removal of non-tariff barriers.

Addressing the captains of Belgian industry later, Dr Mahathir invited Belgian businessmen to participate in Malaysia's resource-based industries and high-technology sectors.

He also invited European automotive industrialists to consider participating in the Malaysian automobile industry. He did not dismiss the possibility of Malaysian-Japanese-European collaboration in automotive projects.

The Prime Minister explained the rationale behind the Look East policy, saying it did not give extra privileges to Japanese or South Korean business interest.

"When considering purchases or giving out contracts, our main criteria is price and quality. If you can convince us that your products are good and the price right, we will buy from you," Dr Mahathir told businessmen in the Federation of Belgian Enterprises.

He then briefed them on current investment incentives, the size and priorities of the Asean market and joint ventures possibilities in Malaysia.