

Dr M: South must

From Balan Moses

MEXICO CITY, Wed. Developing countries need to foster ties in the face of a new world order characterised by the ability of a few powers to impose their own political and economic agenda on the global community, Datuk Seri Dr Mahathir Mohamad said yesterday.

Political agendas are being foisted on countries regardless of the enormous social and economic dislocations that followed and which often led to chaos and disintegration, the Prime Minister added.

He said the developed countries continued 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 the so-called human and labour rights to environment issues to hinder the economic progress of developing countries.”

Speaking at a State banquet hosted in his honour by Mexican President Carlos Salinas de Gortari last night, he said the goal of developing countries had never been confrontation with others but simply the evolution of a conducive environment that would enable the former to prosper

and grow. **19 SEP 1991**
The Prime Minister said developing countries should explore opportunities for greater South-South co-operation.

He said that while there were numerous opportunities for trade and cooperation, they were often left unexploited because of pre-occupation with established markets.

Co-operation among developed countries did not have to be at the expense of linkages with established markets, he said. Rather, it should result in additional markets which could help diversify and reduce over-dependence on just a few markets.

Such co-operation could also help identify new sources of technology of developing countries. Malay-

sia, he said, had welcomed several developing countries to participate in projects including road construction, rural electrification and heavy industries.

“We are satisfied with their work and will continue to open our economy to them. We also welcome Mexico’s participation. Indeed a Mexican company is already involved in our steel industry.”

Malaysia, Dr Mahathir said, had always believed that democracy thrived in an environment of economic growth and free trade.

It was almost cynical, he added, for developed countries to press for democratic reform while denying nascent democracies market access.

“This will only lead to

foster ties

weak and unstable democracies forever dependent on the developed countries.”

On the East Asia Economic Group (EAEG), he said the organisation would be committed to upholding of open international trading system.

Explaining the EAEG mechanism, he said it would act as a consultative forum to discuss issues affecting international trade and play a role in supporting the free trading system.

Dr Mahathir said the proposed establishment of the trading arrangement was also based on the non-progress of the Uruguay Round and increasing trade disputes worldwide.

East Asian countries were worried about such problems as they had prospered and enjoyed some of the

highest growth rates because of international trade.

On Mexico’s role in the Pacific region, he said Malaysia welcomed its active participation in the Pacific Basin Economic Council (PBEC) and the Pacific Economic Council (PECC).

In his speech, President Salinas said Mexico was committed to improving relations with Asian countries of the Pacific Basin.

“With Malaysia’s support and that of other countries we wish to begin as soon as possible our participation in the scheme of the Asian Pacific Economic Council (Apec),” he said.

Mexico was studying Malaysia’s proposal on the formation of the EAEG primarily to create a forum on flexible consultation.

The move, he added, was

of interest to Mexico as the EAEG would serve to defend and maintain free trade besides expanding relations between members and other nations.

President Salinas said trade ties with Malaysia should be direct and multiplied rapidly instead of being conducted through third countries.

Mexican businessmen, he said, had organised themselves in the bilateral business committee between Malaysia and Mexico and had already become involved in projects in some Pacific countries.

Mexican-Malaysian technical co-operation would have an adequate framework next month for the start of technology transfer and training in steel production in Malaysia, he said.