

PM: Nafta against our interests

By Rajesh Taluar

CHANGLOON (Kedah), Fri. — Malaysia views the emergence of the North American Free Trade Agreement (Nafta) with concern as it will prove an obstacle to trade with Mexico, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the free trade area would also affect efforts by other countries to penetrate the Mexican market.

"We are worried about the matter and for sure a free-trade area like Nafta would

mean our goods will not be able to compete with goods from the US and Canada that are made in Mexico," he told newsmen after a meeting with Bukit Tinggi Felda settlers at the Sekolah Kebangsaan Bukit Tinggi here.

Nafta covers some 360 million people in the United States, Mexico and Canada.

"Malaysia will continue efforts to penetrate the free-trade area because our trade with the US amounts to about 18 per cent.

"We are also trying to in-

crease trade with Mexico and hope that nothing will get in the way of our effort," he said.

US President George Bush announced in Washington on Wednesday that the setting up of Nafta marked the beginning of a new era on the North American continent.

The agreement will tear down import tariffs, cut Customs inspections and eliminate red tape governing trade between the three countries.

It would also mean that

the free-trade pact would allow goods to cross the US-Mexican border and the US-Canadian border as easily as they move within the US.

The pact, reached after 14 months of talks, will create a single market from the Yukon to the Yucatan, which today produces goods worth more than US\$6 trillion.

Dr Mahathir added that Malaysia was also dissatisfied with the US over the setting up of Nafta because it had objected to Malaysian efforts to set up the East

Asia Economic Caucus (EAEC).

"Nevertheless, efforts to set up the EAEC will continue and we have not given up the idea," he said.

On the latest development with regard to the EAEC, the Prime Minister said a number of Japanese businessmen had shown interest in its formation.

However, he said, the Japanese Government had yet to accept the formation of the EAEC.