

Dr M: Remove barriers to promote free trade

By V.K. CHIN

DUBLIN: Industries should ask their government to remove market-access barriers to promote free trade, says Datuk Seri Dr Mahathir Mohamad.

He described this as the only way to contribute towards a more liberal world trading system.

The Prime Minister said this in his keynote address to a group of top Irish businessmen at a seminar organised by the Confederation of Irish Industries here on yesterday.

Dr Mahathir, who is on a four-day official visit to Ireland, said market-access barriers, although finally erected by governments, were not initiated by them.

"They have generally been instituted at the request of the industries themselves for their own protection," he said.

"But for small domestic markets, like Malaysia and Ireland, it would be fatal to pursue this course of action as a retaliatory response by larger markets would be disastrous.

"The world should be our market. To adopt an inward-looking trading policy is only to shackle our hands and limit our ability to create an economy that is vibrant and resilient.

"Therefore, it is imperative that industries in such countries be prepared and be confident enough to request their governments to dismantle barriers in favour of free trade.

"It is the only way to contribute towards a more liberal world trading system.

"At the same time, it is equally important for us to promote the principles of GATT and do everything to ensure the successful conclusion of the Uruguay Round of Multilateral Trade Negotiations and reverse the trend towards protectionism through trading blocs."

He said the European Community, of which Ireland is a member, accounted for about two-fifths of global trade. Therefore European trade policies would have a large impact in the evolution of a liberal trading system.

The non-European countries had expressed concern over the ramifications of a Single Europe and its proposal to establish the European Economic Area with the inclusion of the seven EFTA member-countries.

Dr Mahathir said almost as a reaction to this development, the North America Free Trade Agreement (NAFTA) was



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established. He said a Fortress Europe would definitely result in a Fortress America.

"For smaller countries like ours with high dependence on foreign trade, it is important that those within and outside these groupings ensure that these groups do not degenerate into inward-looking economies," he said.

Therefore, Ireland as an EC member, had an important role in the EC decision-making to ensure that the group's domestic policies are positive, trade-enhancing and consistent with the GATT principles.

With the democratic liberation of countries and economies that had taken place in the past 10 years, Dr Mahathir expected a chain reaction of protectionism worldwide if the Uruguay Round should fail.

"More groups and blocs

will form a defensive posture but we must remember that a fortress not only protects but also cuts off the occupants from the outside world," he said.

"In trying to exact a price from the outside, those inside will have to pay a price too. Protectionism will therefore impoverish everyone."

The Prime Minister said while promoting a freer trading environment there was another side of life that needed equal attention.

He described poverty, starvation and hunger as still very real in the modern world. "Let us not become a world where in the same city people wine and dine in splendour, there is stark poverty."

"At least on behalf of all Malaysians, I can confidently say that we have rejected this. We have opted for a developed society where we are also a caring and sharing people — a nation where there is no abject uncared-for poverty. We believe justice should have an equitable face," he said.

"But can we expect that in our New World Order? Can we truly dream of a New World Order where every human being has his place under the sun." Is this too much to dream? Is this too much to ask? We do not think so.

"In Malaysia we have a vision called Vision 2020, that is, we expect to be a developed country by 2020. We will work hard to achieve our vision.

"But much depends on the world community and the attitudes of the powers that be towards us. If at times we object strongly it is because we feel concerned over our own fate.

"If that concern coincides with that of others, it is not by design. It is because we belong to that category of nations which are the have-nots of this world."

Dr Mahathir said Malaysia had managed to switch from agriculture to industrialisation and it is recognised as one of the leading exporters of a number of manufactured items.

When Malaysia's economy was undeveloped, it never had to face the problem of market access as its primary produce had only to contend with the vagaries of market forces.

"We never thought that the industrial path we have chartered for ourselves will be faced with all sorts of hurdles," he said.

"Only after successfully transforming our economy were we confronted with such problems."