

Practise open trading, Dr M urges world

S 16 NOV 1993

KUALA LUMPUR: Datuk Seri Dr Mahathir Mohamad yesterday advocated a shift in the world economic system to "open regionalism" to spur freer global trade and investment.

The Prime Minister said many liberal thinkers in the East and West believed this was a more practical way to resolve current problems affecting world trade.

The shift to open regionalism would result in greater openness, liberalism and competition and by harnessing the economic engines of East Asia, the economic and other maladies affecting Europe and the United States could be remedied.

This was certainly a better alternative than the present mess on the international trade front, he said when opening the international conference, *Malaysia: The Powerhouse of the 90s*.

Dr Mahathir said rising protectionism, lack of monetary policies co-ordination by developing countries, slow progress

towards agreement at the new Uruguay Round of the General Agreement on Trade and Tariffs negotiations and the emergence of new trade blocs such as the North American Free Trade Area and the unified market of the European Community would only render free trade meaningless.

"For trading nations like Malaysia, these will only mean that (economic) growth and development will be retarded," he said.

The two-day conference was organised by the Institute of Strategic and International Studies (Isis) and the *International Herald Tribune*.

In his speech themed *From Here to Vision 2020*, Dr Mahathir said the nation's experience showed free trade was more honoured by words than deed.

"While we are in control over local conditions, we are unable to ensure freedom in global trade as keeping world trade free is becoming more difficult and elusive.

"After 40 years of negotiations during which time markets and processes have become increasingly global, we appear to be no closer to achieving the goals of liberalising and increasing world trade.

"Perhaps what is needed is a shift towards open regionalism as propagated by many liberal thinkers in the East and West to spur freer and greater world trade and at the same time stimulate investments."

He said Malaysia's success within the East Asia region was due to its commitments, acceptance and practice of free trade.

"Malaysia should be able to achieve its objective of becoming a fully developed and forward-looking industrialised country within the next three decades due the strong foundation it is laying now.

"Vision 2020 has become a unifying dream and target of every responsible citizen of this country."

On the East Asian econ-

omies, Dr Mahathir said more trade would flow into the region due to its current size and contribution to the world's Gross Domestic Product and its share of global export.

He said East Asia totalled 21 per cent of the world's GDP at US\$4.4 trillion (RM11.1 trillion) while its share of trade was also at 21 per cent.

"The region's dynamism and youthfulness will keep it dynamic for years to come and we are convinced that the Pacific decade is around the corner," he said.

On the future of invest-

ments in Malaysia, Dr Mahathir said he expected private ventures to be upgraded to higher value-added, technology-oriented and more productive sectors with export potential.

He also pointed out that the bumiputra community, still largely outside the mainstream of economic activities, was a rich source of manpower, capital and business entrepreneurship.

Given the right training and opportunities, he said bumiputras could play a significant role in economic development.