

NEW DELHI, Dec 14 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the United States, while opposing the proposed East Asia Economic Caucus, is using the Asia Pacific Economic Cooperation to balance the influence of the European Community.

This was not the original objective of Apec, but the US was using the organisation for their benefit and, "we cannot be part of that act," he said in response to a question from the floor at a business dialogue attended by Malaysian and Indian businessmen here today.

Responding to questions from Indian businessmen at the dialogue, Dr Mahathir said Malaysia had established trade relations with the EC and gained certain access into the EC given its developing nation status.

"So our relationship with Apec is not that good, and we hope that they will come back to the original objectives.

"In fact, at the Apec meeting in Seattle, an Asian representative insisted that there should not be a formal grouping of Apec," he said. --

Malaysia is a member of Asean, a group of small weak nations which tried to have a say in the national affairs by grouping together so that their clout would become stronger as they formed a fairly big market, Dr Mahathir said.

"When Apec was proposed, we fear the presence of the big economies in that grouping, and that Asean might be lost in the grouping and our interests might get side-tracked especially with countries like US and Japan in it.

"We were quite reluctant to participate right from the very beginning but we were assured that this was not a formal grouping but merely a consultative grouping which is programme oriented to help the less developed countries catch up with developed nations," he said, adding that however, they decided to have a formal gathering by having a Secretariat, a structured group in which the voice of the Asean countries might be lost.

"Indeed this is what had happened. In fact, when a meeting of the heads of government was to be held, it was not proposed by the Apec, but the president of the United States after meeting with the Group of Seven," he said.

That alone, according to Dr Mahathir, indicated the dominant role of the President of the United States in Apec, but many agreed to attend the meeting in Seattle.

Malaysia felt that if there was going to be a meeting of heads of government, it should be decided by the Apec group to discuss the merits and demerits of such a meeting, not one single person making the decision on his own.

"I am quite sure if I were to propose that the meeting of APEC heads of government be held in Kuala Lumpur, no one will go," he said in jest, much to the amusement of the audience.

Asked on the recipes for attracting foreign investors to Malaysia, Dr Mahathir said it was due to political stability, which meant that investors could expect policies to continue over a period of time before they get their returns on investment.

"Predictability is what businessmen value, if you put your money today, in 10 years' time, you tell them they will be able to reap some benefits, they will invest," he said.

Foreign investors would be discouraged from placing their money in a politically unstable country, which changed its policy on its investments whenever there was a change in government and the new government decided to nationalise industries, he added.

Predictability is one of the most important assets that Malaysia has. Of course, our costs are much lower than countries in Europe or Japan, and we have a good workforce, well educated and able to take instructions in English, and they are not prone to wildcat strikes," he added.

Dr Mahathir said "there is a host of other factors, naturally we are finding such factors in India, and that is why the Malaysia businessmen are here, and I think, over time, you will be as attractive as Malaysia, and be our competitor." -- Bernama