

PM: US making use of Apec

From Zainon Ahmad

NEW DELHI, Tues. — Malaysia refuses to be part of a move by the United States to use the Asia Pacific Economic Forum (Apec) to balance the European Community (EC), said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

He said this was one reason why he did not attend the informal meeting of Apec heads in Seattle last month. Malaysia was a developing country and it had market access to a number of EC countries.

"Apec is meant to be a loose forum and is never intended to be used to balance anybody. Because the United States wants to use it to balance the EC, we cannot be part of that act," he said in response to a question from an Indian businessman during a dialogue with members of the Confederation of Indian Industry (CII).

During the Seattle meeting, senior US officials had indicated that the United States would look to Apec as a means to attain some of its goals to open the markets in Europe.

The United States and the EC have had disagreements on trade and agriculture subsidies and even in the

services which had threatened to derail the world trade negotiations.

With Asian members of Apec recording the fastest growth rates and taking up much of the US exports, the EC was told that there was an alternative for the United States in Asia in terms of its economic relations.

Dr Mahathir said: "So our relations with Apec is not so good. We hope they will come back to the original aim."

A number of Asian countries had voiced during the meeting their preference for

Apec to return to its original format.

"When we joined, we were assured that it would not be a formal grouping and that it would merely be a consultative forum which was action and programme oriented to help the less developed countries catch up with the developed countries within the group," he said.

"But then gradually there was insistence that it had to have a structure within a secretariat and the fear in Asean, formed by small countries to have a say in international relations, was that its voice would soon be

drowned out."

He said this was what had happened in Seattle, a meeting called by US President Bill Clinton after his meeting with the Group of Seven (G-7) in Tokyo without consulting the other Apec members.

"That in itself indicates a dominant role for the US President in Apec," he added.

In reply to another question, Dr Mahathir said there were many opportunities for collaboration between India and Malaysia in the automotive industry in the

production and assembly of car and the production of components.

He told the Indian businessman that at present, Malaysia was sourcing components from Japan, a high-cost producer. However, if these parts could be sourced from low-cost producers, then the car can be marketed abroad cheaper.

Dr Mahathir noted that the Indian car manufacturer, Maruti made 150,000 cars and since the population in India was about 850 million, this output was small.

Malaysia, on the other hand, with 18 million people, manufactured about 80,000 cars and this annual figure was expected to rise to 150,000 next year.

In addition, Malaysia sold 16,000 cars in the United Kingdom which was a very sophisticated market for cars.

"You have great potential in the car industry," he told the Indian businessman, adding that the time had come for developing countries to make cars for the developed countries instead of buying from them. "There is no great secret in producing cars," he added.

Dr Mahathir also fielded questions on Malaysia's success in privatisation, eco-

nomical growth and secret for attracting foreign investments, lessons for India in its march towards liberalisation and economic development and Vision 2020.

Dr Mahathir was introduced by CII president Jamshed N. Godrej as a "legend in his lifetime and global leader who commands respect and admiration for his views and opinions".

Later in the evening, the Prime Minister and his Indian counterpart, Mr P.V. Narashimha Rao, witnessed the signing of memorandums of understanding (MOUs) at Hyderabad House.

The MOUs involved Berjaya Group and Kasturba Medical College, Manipal for a twinning programme; Telekom Malaysia and Usha Martin Industries Ltd for the operation of telephone services in Calcutta; Uniphonex Corp and the Kerala State Industrial Development Corporation also for telephone services; Land and General Lumber Bhd and Ircon to construct and operate railways and allied services; and a technical assistance agreement between Rubfil Sdn Bhd and Rubfila International Ltd to manufacture heat resistant latex rubber thread in India.

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