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Mahathir-economy

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KUALA LUMPUR, April 4 (Bernama) -- Malaysia hopes that Swedish participation in the European Union (EU) will lead to a more liberal economic approach internationally, Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight.

He said as a trading nation, Malaysia's future well-being depended very much on open and unmanaged international trade.

Malaysia had noted with interest the recent completion of the negotiation process in the application of Sweden, as well as Austria, Finland and Norway, to join the EU.

"An enlarged EU, stretching into the Arctic Circle and the borders of Russia, with a single market of over 370 million people presents us with an enormous challenge and opportunity of increased trade and cooperation," he said at a dinner for Swedish Prime Minister Carl Bildt at Seri Perdana here.

He said as Malaysia welcomed the recent agreement on the General Agreement on Tariffs and Trade (GATT) negotiations and the proposal for a World Trading Organisation, it hoped that everyone would abide by the terms of the agreement. -- more

▼04/04/22-13MST

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Dr Mahathir said it would be disastrous if some were to renege or take unilateral action.

A developing country like Malaysia, he said, had very few comparative advantages.

"When we industrialise we have to pay interest on foreign capital, royalty on foreign technology, taxes to penetrate the markets of the rich and considerable amounts on consultancy.

"Our sole advantage is our lower cost of labour, made possible by our low cost of living. We have to forgo many luxuries, and even some necessities," he said.

The Prime Minister said if this sole advantage was taken away, the country would not be able to develop, much less catch up with the developed countries, and yet there had been talks of levelling the playing field by removing the labour cost advantage. -- more

▼04/04/22-17MST

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Dr Mahathir said a level playing field was only meaningful if the contestants were of comparable strength but it would be meaningless for midgets competing against giants.

He hoped that Malaysia would learn Sweden's modernity and sophisticated technology, which was world renowned.

"In this regard, the initiative of Swedish companies in Malaysia to establish a Malaysia-Sweden Scholarship Fund is indeed commendable, enabling Malaysians to acquire practical training and hi-tech knowhow from Sweden."

He said with Malaysia's and Sweden's involvement in UN peacekeeping and humanitarian relief efforts in Bosnia-Herzegovina showed their concern over the tragic incident.

Bildt, in his speech, said he was impressed with Malaysia's economy and social development.

He said Malaysia's racial cooperation was a good example to the world.

He was convinced of the need for closer cooperation between the two countries, especially in trade.

Also present were Foreign Minister Datuk Abdullah Ahmad Badawi and Dr Mahathir's wife, Datuk Seri Datin Paduka Dr Siti Hasmah Mohd Ali. --

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