

Malaysia questions 'aid' offered to some poor countries

By OUR REPORTER

MALAYSIA yesterday questioned the "aid" offered to some developing countries to persuade them to stop Malaysian investments in their forestry sectors.

Prime Minister Datuk Seri Dr Mahathir Mohamad said: "We do not know what to call such aid, but it is questionable whether ecology has anything to do with it."

Asean timber companies, which have expanded their operations to the South Seas and other regions, have been careful not to destroy the forests they logged.

"Unfortunately, the activities of Asean loggers to help the economy of many developing countries have aroused resentment among some regional powers. Suddenly money is offered to these developing countries to persuade them to stop Malaysian investors and investors from other countries," he said.

While Dr Mahathir did not specifically say so, it is believed that he was referring to the A\$2 billion (A\$1 = RM1.93) offered to the Solomon Islands by Australia early this month to ban logging in an area offered to a Malaysian company.

The A\$2 billion deal has been described as a "debt-for-nature swap" in the South Pacific. It will reportedly include legal assistance for the Government to fight a Malaysian company, Kum-pulan Emas, which has a logging concession in the area.

Not everyone in the South Pacific is convinced that Australia's motives are purely altruistic as its Premier Paul Keating has not offered government funds to alleviate the adverse environmental impact caused by Australian mining companies in the region.

Dr Mahathir said while many Asean countries can afford to reduce dependence on the forests for economic development, other countries may not be in a position to do so. These countries have a right to tap their forest resources in order to free themselves from others.

"While we are not denying the role played by tropical forests in sustaining an ecological balance, we would like to point out that we do no clear-felling," Dr Mahathir said, adding that timber extraction in Asean is controlled.

The Prime Minister was speaking at the opening of the 15th Asean Ministers of Agriculture and Forestry meeting at the Langkawi Island Resort, in Langkawi.

Dr Mahathir noted that Asean remains a major tropical forest region in the world with some 180 million ha of forest cover. It is also the most important supplier of tropical timber products in the world, accounting for 80 per cent of the international trade.

He said forestry has played a dominant role in the socio-economic development of the region. "You may recall that when the

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need to conserve the world's forests was first recognised, the focus was almost exclusively on the tropical forest and its exploitation.

"A full-scale and emotive campaign was mounted in the West to ban the use of tropical hardwoods. It would seem that temperate timber has no role at all to play in maintaining the ecological balance," he said, adding that the timber tycoons of the North could clear-fee millions of hectares of forest with impunity.

Dr Mahathir also spoke on the role of the private sector in enhancing intra-Asean investment in the agriculture and forestry industries. He said Asean private initiatives should aim at strategic alliances and joint ventures in the production, processing and marketing of agricultural products.

He said the thrust of cooperative efforts in this direction should result in penetration of new markets. "With the conclusion of the General

Agreement on Tariffs and Trade negotiations, there will be more trade and competition, and competitiveness will be the key to survival in the world marketplace.

"Hence all comparative advantages of the Asean members should be combined for Asean to be a low-cost producer and exporter of quality agricultural products," he added.

The Prime Minister noted that in agriculture, as in other fields, Asean members are both competitors and rivals, with every member wanting to be the best producer and to get the maximum market access for its products so that it can develop faster and improve the standard of living of its people.

"This is a logical and rational mode of thinking and action because the real world is a harsh one. But I believe we can do better if we cooperate rather than compete furiously and fiercely."

He urged the private sec-

tors of the member countries to initiate projects which will benefit all parties and help expedite the process of opening up growth areas such as the Indonesia-Malaysia-Thailand Growth Triangle, Singapore-Johor-Riau growth triangle and the Brunei, Indonesia, Malaysia and the Philippines growth triangle.

He later visited the Pedu Dam and inspected the on-going construction of a golf resort in Kuala Nerang. He was briefed on the progress of the RM35 million resort by Pemas Precision Engineering and Construction Sdn Bhd (Perspec) chief executive officer Hashimuddin Datuk Abdul Kadir and Holiday Inn Pedu Golf and Lake Resort general manager Bappi Forster.

During his two-hour working visit, the Prime Minister was also taken on an aerial tour of the resort, which is about 90 per cent completed, and scheduled for a soft opening in early October.