

Cocoa another example of rich living off poor, says PM

By Syed Nadzri

KUALA LUMPUR, Wed. — Prime Minister Datuk Seri Dr Mahathir Mohamad, using the cocoa industry to stress his point, today spoke again about the inequitable relationship between North and South countries.

His latest broadside was accompanied by a suggestion that all tariff and non-tariff barriers be removed so that international trade could be promoted freely in the true spirit of the General Agreement on Tariffs and Trade.

He said the uneven relationship between the cocoa-producing countries of the South and the consumer North was made worse as developing countries produced more but had to sell their cocoa beans or powder to the same handful of giant chocolate manufacturers of the North.

"Naturally, the North is able to manipulate prices in its favour. It is not wrong therefore to interpret this as another example of the rich living off the poor," he said when opening the Malaysian International Cocoa Fair 1994 at the Putra World Trade Centre.

The three-day fair, to expose the public to the various aspects of the cocoa in-

dustry, includes a trade exposition and an international conference.

Dr Mahathir said the market value of cocoa from the five main producers — Cote d'Ivoire, Brazil, Ghana, Malaysia and Indonesia — in 1989/90 amounted to US\$2 billion (RM5.2 billion), whereas the commercial value of chocolate products from the world's five leading confectionery manufacturers was US\$36 billion (RM93.6 billion).

The issue, he added, was what could or should be done to ensure an equitable distribution of the benefits contributed by the sweat and toil of cocoa growers.

"In this respect, I strongly urge that all tariff and non-tariff barriers be taken down so that international trade can be promoted freely in the true spirit of GATT," he added.

The Prime Minister further suggested that all cocoa-producing countries embark on a co-ordinated campaign to promote cocoa, not only as a food product but also as a commodity which contributed to the well-being of developing nations.

"Also in the spirit of North-South co-operation, information on cocoa trade, production, consumption,

stock and technologies should be managed and disseminated widely and efficiently by the International Cocoa Organisation."

Dr Mahathir also urged producer countries to make full use of information technology to gather accurate data on production, daily sales, cost structures and warehouse capacities.

He said one of the reasons for market or policy failures was the lack of information which led to underpricing, over-production and lack of technology transfer.

He expressed concern about what had been perceived as "over-production" since 1989 which had caused cocoa prices to fall.

"But has anyone really challenged the accuracy or the existence of the 'statistical stock'?" he asked.

The Prime Minister said Malaysia would not be wary to venture into "untamed territories" or markets.

"Malaysians are culturally attuned to listening to ideas and proposals on how we can transform this region into varied industrial centres for our mutual benefit."

Partnership with Malaysia, he said, is a proposition that should be seriously considered, especially in a globalised economy.