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APEC: DEVELOPMENT COOPERATION IMPORTANT TOO, SAYS MAHATHIR

By: Muin Abdul Majid

MANILA, Nov 23 (Bernama) -- Datuk Seri Dr Mahathir Mohamad today expressed concern that development cooperation, which constitutes a very important pillar of cooperation in the Asia Pacific Economic Cooperation (Apec) forum, has not been given the attention it deserves.

The Prime Minister described as "unhealthy" the fact that it had always taken a back seat to market liberalisation and facilitation of wholly-owned direct foreign investment, and it must be corrected.

"Liberalisation alone will not succeed if it is not accompanied by development cooperation as the two are interdependent and mutually reinforcing," he said at the closing of the Apec Business Forum (ABF) here.

Dr Mahathir said to enable developing economies to undertake liberalisation on a continuous basis, it was important for the developed partners to assist the less advanced members to enhance their economic capability and capacity.

"The Apec community that is envisioned will only come about if members could display willingness and readiness to enhance development cooperation," he added.

Dr Mahathir, who arrived here today to attend the Apec leaders' summit in Subic Bay on Monday, said there was a need to have a detailed blueprint outlining concrete action plans for development cooperation encompassing areas like small and medium enterprises, science and technology, financial flows and infrastructure, telecommunications and human resources development.

"If these action plans could be effected with the same zeal as the action plans for market and investment liberalisation, we could create an Apec community that is not only prosperous but where the distribution of wealth is more equitable," he added.

As Apec comprised economies at different levels of economic development and income scale, it would be unrealistic and grossly unfair to coerce the less advanced ones to undertake liberalisation measures at a pace beyond their capacity. he said.

An approach premised on progressive liberalisation and flexibility would help assure them to positively contribute towards the liberalisation process.

Dr Mahathir said programmes and projects to enhance the level of development and redress economic disparities of the less advanced economies in the region were crucial.

"Apec must never result in poor member countries becoming more and more dependent on richer members. Apec must, through joint efforts, enrich the poor countries to enable them to contribute towards the wealth of the group," he added.

He said direct foreign investments which could help enrich a developing country should precede market opening and the giving of national status to foreign companies.

Only when the poorer economies had developed into exporters of services and goods could they be considered ready to liberalise their markets.

"Opening up the market of the rich to the poor is meaningless if the poor has nothing to sell. But on the other hand, opening up the market of the poor to the rich, small though the market may be, is economically more meaningful," he added.

He said he had "no problems" with trade liberalisation per se as

Malaysia was committed to liberalisation and deregulation, and was moving in this direction at a pace commensurate with its level of development.

"We have always been a very open market giving access to goods from all countries including those which discriminate against us," he added.

Dr Mahathir also said the greatest challenge facing Apec business leaders and some governments was to have enough patience to nurture the region's immense potential for cooperation and development.

It was understandable that Apec businessmen were becoming impatient with the slow rate of progress in liberalisation, harmonisation and cooperation, and wanted political leaders to share their urgency.

"Business leaders must understand that political leaders must do what is best for their respective economies as a whole," he said, adding that they should not lobby their governments to use their clout to remove actual or perceived barriers to business operations especially in developing Apec economies.

Dr Mahathir said as with government, the business sector too had an important role to assume in redressing economic disparities prevailing among Apec members.

Apec was fortunate in being able to draw on the experience of Asean which showed that any successful cooperation in Asia Pacific needed to be based on the principles of openness, equality and evolution, he added

Apec groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States. -- BERNAMA

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