

17 NOV 1996

Mahathir-EU

REJECT MULTILATERAL AGREEMENT, DEVELOPING COUNTRIES TOLD

KUALA LUMPUR, Nov 17 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today Malaysia and other developing nations should categorically reject the move by the European Union (EU) to impose the multilateral investment agreement on them.

The Prime Minister said the agreement which the EU proposed to raise at the World Trade Organisation (WTO) would only make the developing countries as colonies of the West "which is what they (the EU) intend."

"This idea about colonisation and world domination is still entrenched in their mind," he said.

"They still wish to dominate the whole world," he told a press conference at the Sultan Abdul Aziz Shah Airport in Subang on his return from a 16-day official visit which took him to two continents -- Africa and Europe.

The agreement seeks to allow EU companies to invest in other countries with 100 per cent equity ownership. The WTO is scheduled to hold its meeting in Singapore next month.

Dr Mahathir said the action by EU to introduce the agreement demonstrated that they wished to take over all forms of business worldwide in finance and telecommunication sectors.

The Prime Minister said by controlling the telecommunication sector, they could dominate the broadcasting industry to spread their own propaganda.

Dr Mahathir's statement comes in the wake of a report that the United States had offered a wide opening of its domestic telecommunications market to foreign competition as part of a concerted bid with the EU to get a global pact in the booming sector.

Washington has also insisted that it wanted much better offers from key Asian powers, sitting on potentially lucrative telecommunication markets before pledging irrevocably to open its markets to all comers.

Dr Mahathir said he would raise the matter at the Asia-Pacific Economic Cooperation (Apec) meeting in Manila and Asean informal summit in Jakarta. The two meetings are scheduled for later this month.

"We will object...we will not agree," he said.

The Prime Minister said the Group of 15 (G-15) developing nations have also rejected the proposed agreement while several other leaders of developing nations whom Dr Mahathir spoke to have also expressed their opposition towards the proposal.

He also said Malaysia which will host next year's G-15 summit would try to get as many heads of government to attend the meeting.

Dr Mahathir also spoke on the acquisition of the United Kingdom-based sports and luxury car maker Lotus by Proton, the national car manufacturer in which Tan Sri Yahya Ahmad has a majority stake.

He said Permodalan Nasional Berhad (PNB) could have taken over the company or any other companies but it should have the know-how and the business skills to run the company.

"PNB cannot manage a particular company if it does not understand the needs (of the company)," he said.

The Prime Minister said the government strategy was to transfer as many companies under the PNB to local entrepreneurs who had the capability to manage them financially and skillfully.

"In this way, they (the entrepreneurs) can look after the interest of

the companies concerned," he said. -- BERNAMA  
ES TS/AO