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APEC SHOULD APPRECIATE VARYING LEVELS OF DEVELOPMENT AMONG MEMBERS

KUALA LUMPUR, Nov 11 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad says Asia Pacific Economic Cooperation (Apec) forum members, especially the powerful and richer countries, should appreciate the varying levels of economic development among them.

"I think it is important that the more powerful and richer members of Apec appreciate the problem of the poor countries...that not all members are of the same level of development," he said.

"Apec should not be legalistic and their members should also have a sense of sympathy," he said when asked on his aspirations of the forum's fifth leaders summit to be held in Vancouver, Canada, on Nov 24.

Speaking to reporters after a question and answer session at the "Global Panel Kuala Lumpur 1997" conference here today, he said: "No country could claim that bad things were (solely) due to market forces."

"...but countries must understand that market forces do work against the interests of millions of people," he said.

Asked what Malaysia would raise at Apec, he said: "Whatever is in my head on currency trading...and whether I can convince people or not I don't know."

"This is because the powerful countries were not so much affected by the currency manipulation but countries like us are very susceptible," he said.

"People talk about democracy, about human rights. Is it right to impoverish Malaysians, Indonesians and Filipinos?"

"If they say it is right, then of course I have nothing to say," he said.

On measures to liberalise the financial services sector and whether Malaysia ruled out opening the sector by the year 2004 under the World Trade Organisation rules, he said, "we have to think about it very carefully".

"We feel we will have to reconsider the idea of opening up. Market opening which comes in the form of globalisation, deregulation and liberalisation come in many ways and the many ways seem to be benefiting the bigger economies," Dr Mahathir said.

There have been calls, for instance, for allowing foreign banks to have the same rights as local banks, he said.

"However, if this is allowed in Malaysia, eventually, the local banks will have to be merged or be absorbed by foreign banks.

"Foreign banks can afford to lose money in Malaysia because they can make money elsewhere, but the same is not true for Malaysian banks."

He added: "Maybe one day, we will not have our banks and we will lose control of our policies. Managing policies in a country is very important as it is one way of directing the economy."

"If all banks in Malaysia are foreign-owned, we would be in trouble," he said. -- BERNAMA

AD MR LSH