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Investment rules not discussed at meeting with WTO chief

INVESTMENT rules were not discussed when G-15 Trade and Economic Ministers met WTO director-general Renato Ruggiero yesterday, although some delegates had expected it to provide some fireworks at the dialogue.

In the end, the hour-long meeting with Ruggiero and Unctad deputy secretary-general Carlos Fortini dealt with various other issues.

Ruggiero spoke on the need for everyone to contribute to the ongoing discussions on investment rules.

Although there is yet to be any framework on investment rules within the WTO, developing countries are concerned with the clout of rich member countries as the Organisation for Economic Co-operation and Development had already drafted such rules called the Multilateral Agreement on Investment.

Ruggiero did not refer to the issue in his brief meeting with the Press after arriving here on Thursday.

He told reporters yesterday: "I have spoken to the Press three times ... I have got a plane to catch."

International Trade and Industry Minister Datuk Seri Rafidah Aziz told reporters after the dialogue: "Malaysia's position is to support in principle efforts to have investment rules but they must not impinge on a country's sovereignty."

She said one such provision was the national treatment - a clause in the MAI - that required foreign investors to be given the same privileges as local investors.

"We are, however, in favour of according the Most Favoured Nation status," she added.

Other developing countries are similarly uncomfortable with the investment rules.

Meanwhile, delegates continued to argue about their countries' position on the MAI.

Nigeria's Minister of National Planning, Chief Ayu Ogunlade, described the MAI as "unfair".

He regarded the rules as "something which will not allow developing countries to develop".

"There must be equity and balance ... up to now developed countries are controlling the flow of raw materials, the price of finished goods and the export quota."

Ogunlade said, however, the South was looking at the possibility of achieving a balance.

"This is one of the issues to be discussed at the next World Trade Organisation meeting."

(The ministerial conference will be held in Geneva in May.)

On yesterday's Trade and Economic Ministers' meeting, he said the main agenda was how to boost South-South co-operation.

"It appears that up till now, trade is concentrated in the North. This is despite the fact that we can trade among ourselves."

"For example, Nigeria produces only seven per cent of the volume of sugar it needs. It imports the rest from Europe even though 80 per cent of Mauritius' export trade is sugar."

On the currency crisis, he added Nigeria would support any proposals by the G-15.

Algerian Commerce Minister Bakhti Belaib said his country supported the

Malaysian stand on the MAI.

"We must have a common stand and carry out whatever decisions made by the group," he said.

Algeria, Belaib said, would step up the trade exchange among the G-15 countries which he described as "still weak".

"The improvement of our trade exchange will lead us to have a common stand within the WTO," he said.

A common stand on the currency turmoil is also taking shape at the summit.

Chilean Economics Minister Alvaro Garcia said steps to make currency trading more transparent were a right move.

Therefore, Chile supported Prime Minister Datuk Seri Dr Mahathir Mohamad's call for more transparency in currency trading.

"I think the more transparency there is, the better. There is very little information about sources of capital. That is why greater regulation is needed," he added.

Garcia said the Trade and Economic Ministers had discussed the global stock market crisis.

Garcia said the issue warranted more discussion, adding that there was clear "understanding" for goods and services trading but none for finances.

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