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Dr M: Identify common needs

KUALA LUMPUR, Tues.- The Asia-Pacific Economic Co-operation forum will be in danger of losing its relevance if both the developed and developing member countries pursue vigorously their own selfish interests, the Prime Minister said tonight.

Datuk Seri Dr Mahathir Mohamad added that both sides should help each other identify common needs and devise certain mechanisms which would be beneficial to all, especially during the current global economic problems.

"It all depends on how sincere we are about working together for the common good.

"If we think of Apec as a means to pry open markets to gain something for ourselves, and if each member thinks only about what he can get from Apec, then I think it will not be very relevant over a period of time," he added.

He said this in a special programme Dr Mahathir: The CEO of Malaysia Inc, aired over RTM 1 tonight. It was produced by the Asian Strategy and Leadership Institute.

He was interviewed by Asli's chief operating officer Datuk Michael Yeoh and Apec Business Advisory Council executive director Dr Shafiq Sit Abdullah.

Dr Mahathir said it would be a mistake to assume that there was a single solution which could be applied to both the weak and the strong because their capacities differed.

"To say that there is one solution that applied to the weak and the strong is wrong.

"Once you have accepted that as a fact, then you can devise different safety nets for different people," he said.

Describing the belief that trade liberalisation would help bring about prosperity to all as a "naive faith", Dr Mahathir said there was a need to examine the effect of liberalisation on developing countries.

Citing capital flows as an example, he said it would be good if it resulted in investments in developing countries.

"But the rich can also pull out suddenly all their capital. If they do that, then they will make the poor countries even poorer than before they started," he said.

Dr Mahathir, who chaired the economic leaders' meeting, said due to differing perceptions, he was not too hopeful that the forum would bring about concrete agreements, particularly about current financial problems.

"Obviously we see these things from different angles. We are a developing country with very special problems.

"Members of Apec are also some of the highly developed countries like Japan, as the second biggest economy in the world, and America, the biggest economy.

"So their perception of things are going to be quite different. Even in identifying what is common is going to be difficult," he said.

He said, however, he expected the discussions on the financial problems to progress "a little" from last year's meeting in Vancouver, Canada.

He said the Vancouver meeting last year merely dismissed the financial turmoil as an East Asian problem.

"But now it is going to affect all the countries in different ways. We are affected because they sold our currencies down, they (the rich nations) are affected because they put money into these hedge funds. The

hedge funds failed and they lost money," he said.

Dr Mahathir said while the richer nations would look into the problem from an investment point of view, the developing countries would approach it as victims of these investments.

Dr Mahathir said history had proven that the prosper-thy-neighbour policy adopted by Malaysia had been successful in helping third world countries generate wealth.

The Prime Minister said Malaysia believed that if it helped its neighbours to prosper, it would also be prosperous and free from their problems.

Citing an example, Dr Mahathir said Malaysia had decided to invest in Vietnam when it was facing economic problems after the war.

"Thousands of its refugees landed in Malaysia, so Malaysia decided to help the country recover by investing there.

"We provided Vietnam some facilities for them to train people in the workings of a market economy, something which is not familiar to them," he said.

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