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Free trade must benefit all

IF JAPAN is worried about the Asia Pacific Economic Cooperation (Apec) forum being used to force it to liberalise its trade, most others should be worried as well. Malaysia has expressed concern about forced liberalisation in the form of the so-called level playing field since the Bogor summit of Apec leaders. Others have shared this sentiment since, but none with as big an economic presence as Japan and certainly none with such a loudly audible voice. Such concerns will continue to be expressed as long as there are governments within Apec that intend to use the forum to promote their own agenda instead of the collective interests of the grouping. In the past, such efforts have been so blatant as to ignore the nature of Apec as a forum of consensus. Thus, the agreement reached by the Apec trade ministers in Kuching on Tuesday - that there will be some flexibility in the implementation of an early trade liberalisation plan - is comforting indeed.

This flexibility, in the form of longer implementation periods also takes into account the broader goal of maximising mutual benefits and the need to maintain the balance of interests between the East and the West. Yet the crucial question remains as to whether the West will be willing to give developing countries the breathing space to do so and without resorting to the twisting of arms. The plan for early voluntary liberalisation is supposed to begin next year and covers trade in nine priority sectors (fish and forest products, chemicals, energy, environmental goods and services, gems and jewellery, medical equipment and instruments, toys and telecommunications) and six other areas. It is part of a bigger scheme which aims for free trade in the Pacific region by the year 2020. By embracing this new world economic trend, developing nations must at least position themselves to ensure that participation will be beneficial.

Ensuring a fair playing field is not an easy task, but this is made all the more difficult with Asia being beset by economic woes. Maintaining fair play in a borderless world also means it is relatively easy for any individual country to lose out should its economy take a tumble. Should this happen, the consequences for the unfortunate nation would be dire. While Malaysia supports trade liberalisation, Prime Minister Datuk Seri Dr Mahathir Mohamad has also made it clear that the Government plans to protect both its national as well as economic interests. Liberalisation should not lead to giant conglomerates from the US and Europe being able to randomly cripple small companies in Malaysia and other developing countries. This is not only against Malaysia's philosophy of development but also in direct contradiction to the new world economic order theme espoused by the West. The best and indeed, only feasible approach to trade liberalisation must ensure the protection of each nation's economic wellbeing.

The Apec decision to allow flexibility in the implementation of an early trade liberalisation plan is the only possible one to take. For to expect all nations, irrespective of their economic capabilities to liberalise at the same time is bordering on the ridiculous. True, trade liberalisation does have its merits, but to implement it post-haste is to perhaps chart a course for disaster. The dismantling of trade barriers is a complex task, not least because it will impact domestic industries and their revenues which in turn will affect a nation's economy. It is vital therefore that

developing countries be allowed to consider what sectors they are ready to liberalise and those where they are ill-equipped to do so. They must be able to fine-tune their economies for the implementation of the "level playing field". If developing nations are not allowed to do this, the level playing field will turn out to be an extremely rough pitch where not only their companies and economies will suffer, but also their populaces.

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