

14/11/1998

Help revive Asian economies: Mahathir (HL)

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PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday urged advanced economies of the Asia-Pacific Economic Cooperation (Apec) to stop imposing market protectionism and instead help to revive the ailing Asian economies.

In urging the developed countries to facilitate economic recovery in the region by supporting exports from the affected nations, he said, trade barriers such as eco-labelling and other related measures will only inflict more problems on them.

He said while Asian economies intensify efforts to increase exports, it is crucial for the export markets of these affected economies to remain open for their products.

"There is already a discernible trend towards protectionism as local industries which are no longer competitive lobby or justify the imposition of non-tariff measures of various sorts.

"These include the increasing resort to anti-dumping action, countervailing measures and transitional safeguards against the exports from Asia," he said.

Opening the Third Apec International Trade Fair 1998 at the Mines Exhibition Centre in Kuala Lumpur, Dr Mahathir said the current economic situation demands Apec to continue with its trade liberalisation programmes in a manner which would benefit all members.

"The different capacities of economies to embrace liberalisation must be recognised. The weakened economies cannot be expected to shoulder the same level of commitments to liberalise their market as the stronger ones," he said.

The premier also said unrestrained liberalisation may eventually weaken the economy further and yield results which are the opposite of what are expected.

"It is important to ensure that market liberalisation measures take into account the specific development features and constraints of countries at different levels of development. As such we must work towards a win-win situation where all will benefit from the process," he added.

Dr Mahathir said more collaborative efforts between the private sectors within the Apec economies need to be undertaken to facilitate intra-regional trade and investment in the region.

"The private sector should consider long-term goals and action plans towards capacity building especially in such areas as improving the infrastructure, increasing skills among personnel and developing new technologies. Exchanging and the sharing of technology especially among the less-developed Apec economies should be enhanced," he added.

He said while several of the affected economies including Malaysia have already implemented various measures and policies to attract foreign direct investments as well as restore confidence among the international business community, these efforts are being undermined by the negative and biased report of several credit rating agencies and the media.

"Their persistent and determined misreporting and assessment have done a disservice to their clients whose decisions are based on their reports. Investors should really travel to these countries to see for themselves what is really happening," the Prime Minister said.

He said the business community has an important role to work together with the governments of these economies in their economic recovery

efforts.

"In this context, I would like to urge the business community to evaluate the economic environment of the country in an objective and balanced manner. In particular, when making investment decisions you should avoid being overly dependent on reports and value judgements of credit rating agencies and the media.

"It is worthwhile noting that none of the rating agencies or the media predicted the current economic turmoil," he added.

Dr Mahathir said the business community should make their evaluation taking into account factors such as size of the market, consumer purchasing power, political stability and other socio-economic indicators.

"It is also imperative for the private sector to be well informed of local laws and regulations and how businesses are conducted in the respective economies," he said.

The theme of the trade fair is "Enhancing Global Competitiveness Through Technology and Human Resource Development". It has also adopted a sub-theme, "Emergency Preparedness in Apec", related to natural disasters in the Asia Pacific region.

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