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MIA: `Indirect pressure being applied`

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INDIRECT pressure is being applied on developing countries to sign the Multilateral Investment Agreement which seeks to give rights to foreign companies to own 100 per cent equity in all sectors (except defence and security) in any country.

Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday although no direct pressure had been applied on developing countries including Malaysia, current trends suggested that external forces were resorting to other tactics.

Dr Mahathir was speaking after launching the "North Pole Freefall Expedition Malaysia 1998" at the Royal Malaysian Air Force base in Sungai Besi, Kuala Lumpur.

Asked whether Malaysia was being pressured to accept the MIA which was being drawn up by the Organisation for Economic Co-operation and Development, Dr Mahathir said:

"Not yet ... but I am not sure. They will come again and again. If they are unsuccessful one way, they will try other ways.

"At one time, they tried to link trade with environment and human rights, but we resisted. Now they have come back and devalued our currencies.

"By devaluing our currencies, they can make us poor, to the extent that we may have to seek their assistance. And when we do so, they will impose conditions.

"So, indirectly, they are devaluing our currencies to end our freedom."

Although the MIA is being drawn up by the OECD for its member countries, some of them are keen to see it discussed in the World Trade Organisation as well.

By pushing for the MIA, they hope to establish clear rules to govern direct investment worldwide.

However, most developing countries including Malaysia are against this move, fearing it would mean "a right to invest" and would therefore encroach on their sovereignty.

Dr Mahathir said foreigners were trying to determine who should become the leaders of other countries, their policies and how they should carry out trade.

"This means we have lost our independence. Whether the methods that we use are good or not is a different matter.

"Although we are an independent country ... the Government is not allowed to do anything. The election process has no more meaning."

On the Second Asia-Europe Meeting which begins in London on Friday, Dr Mahathir said Asean countries as well as Japan, China and South Korea would meet earlier to discuss common proposals to be raised at the meeting.

"We will be meeting in London and hope to come up with something common. Not all perhaps ... but some. Maybe on economy."

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