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MAHATHIR-MARKETS

REGULATE WORLD TRADE, SAYS DR MAHATHIR

PETALING JAYA, Sept 13 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that while new trade barriers should not be erected, world trade should be regulated.

"There should be some kind of regulations. Free trade should be regulated," he told a press conference after opening the 12th Commonwealth Law Conference here.

Earlier, in his speech, Dr Mahathir said that free trade is such a revered creed that any amount of unfairness and inequity as a result of adopting it must be accepted.

"The emphasis is on level playing fields. The size and strengths of the players are considered irrelevant," he stressed.

He said that the removal of trade barriers could actually result in a contraction of world trade when all major businesses, industries and banks in the poor countries would be owned by big players from the rich countries.

There would be more outflow than inflow of funds as the profits are repatriated to the rich countries, Dr Mahathir said.

Whether it is currency trading, globalisation or a borderless world, the poor did not benefit at all, he added.

"Do we examine this and formulate laws on international trade? No. Trade must be free. There must be liberalisation and deregulation. The impoverishing of the already poor is no reason for making trade less free," he said.

Dr Mahathir said that liberalisation and deregulation were being touted as the "open sesame" to a world economic order "but from what we in East Asia have seen, this new order may very well result in our subjugation, first economically, then politically as well."

He also pointed out that market opening by all countries, regardless of their size, as advocated by the World Trade Organisation (WTO) could lead poor countries to be at the losing end.

Dr Mahathir said the idea that the products of small countries could enter the markets of big nations as freely as the products of the rich could enter the markets of the poor only worked in theory.

"In practice, poor countries may not have any products to export to the rich at all," he said.

Even if poor countries had the products to export to the rich nations, the products might not meet the high standards set by the latter, Dr Mahathir said.

He added that in their domestic markets, poor countries would face competition from cheap, high-quality goods from the rich nations, and eventually they would have to close down their factories and lay off workers. -- BERNAMA

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