

Dr M: Dismantle trade

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Africa can gain by looking east the same way Ma

By Sarban Singh

SERDANG, Tues. — Datuk Seri Dr Mahathir Mohamad today told the Asia-Africa Forum to find ways to dismantle existing barriers that impeded trade between countries from the two continents.

The Prime Minister said these countries should forge smart partnerships that could lead to a win-win situation and the betterment of all.

“We may need to introduce innovative approaches, dismantle existing barriers and enter into more bilateral payment arrangements.

“We should also consider inter-regional trade arrangements, intensify trade promotional efforts, use currencies other than the US dollar to effect settlement and adopt counter trade,” he said.

In his keynote address when opening the Third Asia-Africa Forum (AAFIII) here, he added the forum should also look at ways to foster more trade of goods and services between Asia and Africa.

The co-organisers of the three-day AAFIII are the Governments of Malaysia and Japan, Global Coalition for Africa, United Nations Office of the Special Coordinator for Africa and the Least Developed Countries (UN/OSCAL) and the United Nations Development Programme.

The forum is to help establish new or to identify and strengthen existing networks of institutions which would serve as a vehicle to implement joint activities.

The inaugural forum was held in Indonesia in 1993 and the second one in Thailand in 1997.

Dr Mahathir said it was important that these countries forge such partnerships as the global economy was now iniquitous.

The disparities in income and lifestyles between the rich and the poor have reached unprecedented proportions, he said.

About 80 per cent of the world GNP was concentrated in industrialised countries and the poorest 20 per cent had only a share of 1.4 per cent of the world GNP.

“Globalisation ideologues propagated that those countries which open up will experience such dynamic economic develop-

ment that within the unforeseeable future, the world will see a convergence between the rich and the poor.

“This is far from happening,” he said.

On the contrary, Dr Mahathir said, the richest two per cent of the world population, which in 1960 was 30 times better off than the poorest 20 per cent, were today 61 times better off.

He said based on its own recent experiences, Malaysia did not share the optimism that globalisation would automatically solve development problems.

“We see powerful processes that continue to marginalise many countries in the South. We see the adverse social and economic consequences brought about by the twin forces of globalisation and liberalisation adding to the burdens of the South,” he said.

For poorer countries, he said, globalisation and liberalisation have meant opening up to foreign imports and finances which could displace local enterprises and businesses.

Dr Mahathir said unless the interpretations of globalisation and liberalisation were changed, the poor would not only lose more but they would virtually be colonised again.

Governments and international organisations, he said, must now assume an active role in controlling and regulating the globalisation process to make it more socially accountable.

“As you will have noted, the rich countries of the North are ganging up while their corporations are merging to form huge specialised companies.

“We on the other hand, are greatly divided partly because we don’t seem to know how to work together but mostly because the super powers actively prevent us from cooperating,” he said.

Dr Mahathir said a glaring example was the proposed East Asia Economic Community where the US have made it clear that it did not approve its setting up, and as such, it could not be formed.

Now the US, he said, was even opposing the setting up of the Asian Monetary Fund for fear it might undermine the International Monetary Fund and therefore US hegemony.

Dr Mahathir said Malaysia has also learnt much by looking East at South Korea, Japan, Taiwan and colonial Hong Kong.

“Africa can learn much from looking East also,” he said