

19 NOV 2000

LID 2000-MAHATHIR

LID: MAHATHIR CALLS FOR FORMATION OF SURVEILLANCE NETWORK

LANGKAWI, Nov 19 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has called for the formation of a network among developing countries to ensure an effective system of global governance against ills that may infiltrate their economies.

This could be done through strengthened international cooperation among them where different countries independent of their size or economic strength, can have their say, he said tonight when opening the Langkawi International Dialogue 2000 (LID 2000) here whose central theme is smart partnership.

Calling on participants to engage in discussions that would shape the future of their nations and the destinies of their children, Dr Mahathir said, "Let this be the most opportune time for us to carefully ponder if we can achieve together what we are unable to accomplish on our own."

"The spirit of Smart Partnership, far from being an abstraction, is a workable entity that promises real, tangible results."

The opening was preceded by a dinner attended by heads of state and government from several African countries including President Joaquim Alberto Chissano of Mozambique, President Robert Mugabe of Zimbabwe and President Dr Sam Nujoma of Namibia.

Dr Mahathir said developing economies must wake up to the reality of being unable to generate wealth and sustain development in the face of irrefutable economic laws and irrepressible market forces.

To break this vicious circle, developing nations must ensure that all available resources are tapped.

Dr Mahathir said, "We have to equip ourselves and build our strength because the failure to do so is tantamount to laying down our weapons and surrendering our collective destinies.

"We must strive for greater technological know-how, stronger representation in world fora, and for appropriate institutional, legal, supervisory, international framework."

The prime minister said while the developed nations continuously harped on "human rights violations," the Group of 77 had accurately identified poverty as the single most pervasive violation of human rights.

"And this is not perpetrated by us," he stressed.

In his address, Dr Mahathir again hit out at the proliferation of double standards by developed countries while pushing for greater market access under the guise of globalisation.

He said despite the rhetoric of the developed nations on "a better quality of life for all humanity" and "an equal footing", it was really all about money and market domination.

Dr Mahathir, in calling for the lop-sidedness of representation by developing economies in key international fora to be addressed urgently, said although developing economies made up three-fourths of the World Trade Organisation (WTO) membership, they still had to depend on the larger economies.

In the Internet world, developing countries too have no representation in the Internet Assigned Numbers Authority (IANA), he said.

Such economic dependence of the developing world in terms of imports, exports, aid and security meant that their numbers can never be used to their advantage.

"This obviously would result in their inability to make their vote

count, in a manner that serves to influence the agenda and trade negotiations in their favour," he said.

The prime minister said it was baffling that in the face of such diverse economic and political strategies for economic domination, any effort by developing nations to slow the advancement of trade liberalisation would automatically be labelled as "barriers to business" or "market distortions."

Dr Mahathir said the truth was that there was very little "free market" element in this brand of globalisation because it had been deliberately shaped to fulfill the requirements of the principal players, a process greatly aided by political powers bent on creating international conditions conducive to their needs.

In providing examples of double-standards under the so-called "level playing field" spirit, he said the WTO wanted all countries to stop subsidising farmers and so the United States reduced direct subsidy payments through the 1996 Farm Bill.

But through its "Green Box" policies, exemptions are provided for direct income subsidies to U.S. agro-exporters because they do not constitute production subsidies and are therefore, "non-trade distorting".

"I fail to see the logic of this equation, purportedly made in the name of fair trade, but perhaps more disturbing is the prospect of a policy statement that perhaps mathematically tallies, but send small farms and farmers all over the world to an early grave," said Dr Mahathir.

He said during the seven-year-long Uruguay Round of the General Agreement on Tariffs & Trade (GATT), a number of developed nations (i.e. the US, Europe and Japan) secured special terms for their textile and agricultural sectors.

As global trade increasingly endangered their supremacy in these areas, they resorted to a range of tariffs and non-tariff barriers, including quotas and so-called voluntary export restrictions.

They also introduced their own Rules of Origin, to identify where a textile or clothing product comes from, thus changing the conditions of competition and adding to the restrictions against the low-cost textile exports of other countries.

Dr Mahathir said the reason why South Africa's "free trade" agreement with the European Union excluded 46 percent of that country's agricultural products was because they competed directly with European producers.

"And is this not market distortion?" he asked.

Dr Mahathir also said two-thirds of international movements in goods and services actually took place as intra-firm and inter-firm transactions through mechanisms not even remotely resembling that of an open global competition.

"Is this not unfair practice?" he asked.

The prime minister also said the Trade Related Intellectual Property Rights Agreement (TRIPS) protected the rights of corporations but allowed for patenting of the shared knowledge of indigenous communities.

"The implication for developing countries is the loss of billions in rent transfers to rich countries, as trans-national corporations (TNCs) will continue to control virtually all the patents of developing countries."

Dr Mahathir lamented that extreme poverty continued to afflict over one-fifth of the world's population and said the marginalisation of Africa, for example, must be corrected.

With almost 10 percent of the global population, it now has less than one percent of global trade, 0.3 percent of global manufacturing and 2.4 percent of global GDP, of which 40 percent was accounted for by just South Africa and Nigeria.

Dr Mahathir said Smart Partnership practices were instrumental in ensuring the social accessibility of knowledge.

"It is in this spirit that the Group of 77 at the South Summit in Havana, Cuba, called for greater South-South cooperation in the area of information technology," he said.

Dr Mahathir said the growth of e-commerce was projected to hit seven trillion US Dollars by 2004 but it was a distant shadow to a very vast majority of the world's population.

"Despite a growth rate of 15,000 new Internet users a day, and 220 million devices accessing the world wide web with 200,000 added each day, it remains that only five percent of the world's population, mostly concentrated in the developed world stand to gain from this boom.

"For starters, the top 20 percent of the world's population account for 74 percent of phone lines, against the bottom 20 percent having access to only 1.5 percent. To say that this ratio must be rectified is a gross understatement," he said. -- BERNAMA

SHY YBY