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Mahathir-Apec

M'SIA AGREES TO NEW WTO ROUND ON CONDITION AGENDA IS IN PLACE

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BANDAR SERI BEGAWAN, Nov 16 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said Malaysia agreed to a new round of negotiations under the World Trade Organisation (WTO) on condition that an agenda is in place.

He said this was agreed to by the 21-member economies of the Asia-Pacific Economic Cooperation (Apec) forum and contained in a declaration read out by Brunei's Sultan Hassanah Bolkiah at the end of the Apec informal summit today.

"If there is no agenda, then there is nothing to discuss," he told Malaysian journalists after the summit and a bilateral meeting with Russian President Vladimir Putin at the Istana Darut Taqwa, here.

Dr Mahathir also cautioned against some countries deliberately avoiding setting an agenda as it would then be difficult to have a new WTO round.

"The general opinion is that we should have a round in 2001, but it must be preceded with an agenda. It is a condition that we have agreed to," he said.

In a lengthy communique at the end of the eighth summit, Apec leaders declared, among other things, the need to expeditiously launch a new round for the benefit of all WTO members, particularly least developed and developing economies.

They also agreed that a balanced and sufficiently broad-based agenda that responds to the interests and concerns of all WTO members should be formulated and finalised as soon as possible in 2001 and that a round be launched in 2001.

Since the Apec senior officials and ministerial meetings began last week here, Malaysia has been pushing for Apec members to agree to an agenda that benefits all countries first before agreeing to launch a new round.

However, some developed countries led by the United States, Australia and New Zealand have been calling for a new round to begin next year.

But Malaysia, through International Trade and Industry Minister Datuk Seri Rafidah Aziz, along with ministers from South Korea and other developing countries, insisted on a broad-based agenda to be in place first.

Dr Mahathir said that there should be an agenda which should be agreed upon by every country and the conditions standardised so that the WTO was more focused.

For instance, he said, many countries were concerned about anti-dumping and this was rightly so because export items were normally cheaper than the price within the country because of domestic factors such as the imposition of levies and excise duties.

He said it was the same, for instance, with Proton cars. "They are much more expensive in Malaysia than overseas," he said.

These were issues which should be included in the agenda but were being ignored by developed countries, he said.

Dr Mahathir also expressed the hope that there would not be any move to hold sideline meetings within the 139-member trade body as this would not be orderly and that they would not be viewed as formal meetings.

Also, parties which are not in it tend to lose out, he said.

Asked whether there were tendencies for side meetings, Dr Mahathir said: "Yes, we saw that happening in Seattle (where the talks last year collapsed). They conducted meetings limited to a few countries and attempts were made to force the WTO to accept their decisions.

"Side meetings are usually held by developed countries and it is not a formal meeting," he said.

"As an organisation, WTO must be orderly and there must be certain orderliness in the agenda so that nobody can bypass and force their

opinions on others," he said.

Dr Mahathir also said that the Geneva-based WTO was a valid organisation.

Elaborating on the free trade arrangement between Singapore and Australia, Dr Mahathir said that they might not be as effective because in some ways, "no matter what they introduce in terms of tariffs, at the end of the day, it will still tantamount to taxes".

Therefore, free trade arrangements between countries might not be in the best interest "because FTAs can run into their own set of problems especially when they impose non-tariff barriers -- which are actually equivalent or do not differ much from taxes, and this will not benefit anyone," he said.

Also, "they do not have enough information about Malaysia and 90 per cent of our exports are tax free," he said, commenting on perceptions at the meetings in Brunei that Malaysia was an impediment to FTAs.

These measures sometimes take the form of anti-dumping measures, quotas and certifications which when examined closely, were no different from taxes and that such measures would not be meaningful as they would only raise prices, he said.

"We discussed the issue not to find a solution but just to express our concern," he said.

"Malaysia does not have tariff barriers like FTAs. Under FTAs, countries may say that they are tax free but they impose tariff barriers based on quota, bidding for import certification and individual purchase certification.

"All these actually accrue to the government and it is regarded as taxes collected by the government," he said.

Dr Mahathir said that some FTAs were facing problems because certain measures taken by participating countries amounted to non-tariff barriers.

Asked for his views on the just-ended Apec meetings and summit, Dr Mahathir said it went on very well.

Many issues were raised and discussions were smooth and orderly, he said.

There were also discussions with the Apec Business Advisory Council (Abac) and issues and problems raised by the business community were taken into consideration, he said.

He said that globalisation and WTO were the focal point of this year's Apec meetings.

As for globalisation, Dr Mahathir said "their opinions did not differ much from ours".

He said a point was made that all parties benefited from globalisation.

Apec comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, the United States and Vietnam.

The next Apec meetings and summit will be held in Shanghai.

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