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PM: Don't surrender (HL)

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LANGKAWI, Sun. - Warning developing economies of a possible economic domination by developed nations, Datuk Seri Dr Mahathir Mohamad called on them to equip themselves and build their strength to fight the onslaught.

Failure to do so, said the Prime Minister, was tantamount to "laying down our weapons and surrendering our collective destinies".

He reminded the developing world that globalisation, the so-called new phenomenon, was deliberately shaped to fulfill the requirements of the principal players.

"(It is) a process greatly aided by political powers bent on creating international conditions conducive to their needs," he said in his keynote address at the Smart Partnership Dialogue opening and dinner at the Mahsuri International Exhibition Centre tonight.

The Prime Minister also explained the ploy of the developed nations to dominate the world economy.

Citing examples of market distortions and unfair practices by the developed economies, Dr Mahathir said pro-activity was necessary for developing nations "because the stakes get increasingly higher, because one wrong move could result in the loss of lives and livelihood, of sovereignty of nations, of right to call our country our own".

Dr Mahathir, a critic of globalisation, again voiced out his annoyance at the pressure put on developing nations to accept the process.

"It has often been said that only permanence is change and at present this phenomenon called 'globalisation' promises to change the economic, political and social landscapes the world over.

"Likewise, we are made to believe that globalisation is in fact driven by irrefutable economic laws and irrepressible market forces.

"All nations big and small must accept or accommodate it, that it is impossible to resist or even modify. In fact, the director general of the World Trade Organisation likened the stopping of globalisation 'as trying to stop the rotation of the earth'.

"Why are they trying so hard to pass this on as the 'truth'?" asked Dr Mahathir.

"Because its repetition and reinforcement 'intimidates' us into thinking that they know better and this intimidation prevents critical analysis."

It was indeed baffling that in the face of the onslaught of such diverse economic and political strategies for economic domination, any effort on the part of developing nations to slow the advancement of trade liberalisation was automatically labelled as "barriers to business" or "market distortions".

"All around us double standard abound," said the Prime Minister.

During the seven-year long Uruguay Round of General Agreement on Tariff and Trade, developed nations like the US and Japan secured special terms for their textile and agricultural sectors.

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

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

South Africa's "free trade" agreement with the European Union, he said,

excluded 46 per cent of South Africa's agricultural products because they directly competed with European producers.

Another example stated by the Prime Minister was the Trade Related Intellectual Property Rights Agreement (Trips) which 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 transnational corporations will continue to control virtually all the patents of developing countries."

Dr Mahathir was also critical of WTO's demand that all countries stop subsidising farmers which he described as sending "small farms and farmers all over the world to an early grave".

Quoting the US trade policies stated by the Office of the US Trade Representatives and Related Entities on why the US must pursue an "activist trade policy" in the Asia-Pacific Region, he said the developing economies must wake up to the reality of these future challenges.

Dr Mahathir also spoke of the extreme poverty afflicting one-fifth of the world's population and called for the marginalisation of Africa to be corrected.