

Be alert during WTO talks, Mahathir warns officials

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Too much focus is put on trade with developed countries that those with developing countries are being overlooked

By **HAMISAH HAMID**

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday reminded Malaysian officials at the World Trade Organisation (WTO) negotiations to be alert when discussing the terms of global trade pacts.

He said the negotiations at the WTO are slanting more towards trade deals between developed and developing countries.

"So, when we focus on de-

veloped countries, we miss out on developing countries which are allowed to put up high tariffs," he told a news conference after opening MSC-Lucent Bell Labs Technology Forum in Kuala Lumpur yesterday.

Dr Mahathir was commenting on the move by India, a major importer of Malaysian palm oil, to raise import duties on the commodity.

He said India is able to impose high import duties on palm oil as it is allowed under WTO rules. It only applies about 45 per cent of import duty on soya oil but it can apply as much as 300 per cent of import duty on palm oil.

"So, there is a disparity there, and this is the result of

not being alert during WTO negotiations.

"If they don't study things carefully, they may commit themselves to something that will affect us later," he said.

He lamented that too much focus is placed on trade between Malaysia and developed countries while a bigger trade potential with developing markets is being overlooked.

In view of the sharper-than-expected slowdown in the US economy and the sluggish Japanese economy, Dr Mahathir said the Government is actively looking for new export markets.

Besides implementing measures to boost domestic economic activities, he said the Government is also extending credits to many countries to

enable them to purchase Malaysian palm oil.

He said China also has a "big appetite" for Malaysian palm oil but the country may not be a good alternative for other local products as "most of the other things that we produce, they can produce cheaper".

On the globalisation process that allows larger international banks to swallow smaller local ones, he said: "Malaysia has to stay off the new onslaught as much as possible, buy time and make adjustments at home so that we will be in a position to compete with others."

He said the whole idea of globalisation is not finalised yet and countries are still in discussions on the form or

shape that globalisation will take.

"And then, maybe it is necessary to restrict certain activities because of the disparity in the sizes of the competing companies.

"One cannot expect a local bank to compete with a huge bank which has branches all over the world because it can easily make money elsewhere and lose money here and undermine local banks. That is what we are looking at," he said.

He said through globalisation, the world is becoming smaller and Malaysia needs to interact with all countries and not only with those in its neighbourhood.

"We have to learn to adjust to this trend. It seems to be coming our way," he said.