

Dr M: We're watching S'pore unilateral trade links

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Malaysia will not support any attempts by Australia or New Zealand to use closer economic links as a back-door into the Afta

By **EIRMALASARE BANI**

MALAYSIA is closely watching Singapore's unilateral trade ties with New Zealand and Australia as the move can be seen as "some kind of back-door entry into the Asean Free Trade Area (Afta)", Datuk Seri Dr Mahathir Mohamad said.

Speaking to reporters after opening the International Conference on Globalisation

in Kuala Lumpur yesterday, the Prime Minister said, in Afta, any product which has a 40 per cent local content would be regarded as a national product.

"Thus it would be quite easy for these countries (New Zealand and Australia) ... to export (their) partly completed products to be completed in Singapore and be regarded as Singaporean products, which would then have free access into any Association of South-East Asian Nations (Asean) countries," he said.

Dr Mahathir was asked to comment on whether other Asean countries would lose out following Singapore's

move to link itself with Free Trade Areas (FTAs) outside Asean.

International Trade and Industry Minister Datuk Seri Rafidah Aziz had, meanwhile, in an interview with Australian business magazine called Asia Today, warned that it would not support any attempts by Australia or New Zealand to use their closer economic links to Singapore as a back-door into the Afta.

Singapore recently concluded what is known as a Closer Economic Partnership (CEP) with New Zealand, and is negotiating either CEPs or FTAs with the US, Japan, Mexico and Canada.

Dr Mahathir also said the

new round of the World Trade Organisation (WTO) talks may not even materialise by the end of the year.

"We need a lot of time to formulate the requirements of the developing countries. They do not have a forum where they can talk to each other and it also takes time to decide on the agenda.

"Also, there are a lot of things that are being proposed which we do not even understand. Some developing countries are under obligations and they are not able to state their real stands.

"I think even by the end of this year we may not be able to hold the next round of meeting," he said.

Earlier when delivering his keynote address, the Prime Minister said developing countries should not agree to a new round of talks until unsatisfactory issues were settled and resolved.

WTO chief Mike Moore had, earlier this month, set a July deadline for an agreement on a basic agenda for a new round of global trade talks, to iron out issues which derailed the 1999 talks in Seattle.

The Seattle talks fell apart when the US and the European Union battled over farm subsidies, and developing countries fought calls by them to include minimum labour standards in the trade agenda.