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MAHATHIR-TRADE

BE ALERT IN NEGOTIATING GLOBAL TRADE DEALS, SAYS PM

KUALA LUMPUR, March 29 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad says Malaysian officials must be alert in negotiating global trade deals that are fair to both local products and its competitors.

He said they should not only be alert when clinching trade pacts with developed countries but also with developing economies as Third World markets were also significant to domestic exports such as palm oil.

The lack of a fair deal could have costly implications on Malaysia such as when importing countries are given the flexibility to impose high import tariffs under the World Trade Organisation (WTO) to the detriment of local exports.

He said that this was what happened when India, a major importer of Malaysian palm oil, was able to impose high Import duties on palm oil as it was allowed under the WTO rules.

He cited how the import duty on soyoil into India was only at 45 percent but the country could apply duties up to as high as 300 percent under the WTO.

According to traders, the import duty for crude palm oil (CPO) into India was currently about 75 percent and that of palm olein 85 percent.

"This disparity (between the duties for soyaoil and palm oil) is the result of not being alert in the negotiations of the WTO. If we don't study things carefully, we may commit ourselves to something that will affect us later," he said.

Dr Mahathir lamented that too much focus was being placed on trade with developed countries to the extent of forgetting there was also a bigger trade potential with developing markets.

"We look into trade with developed countries but we forget that we have a large amount of trade with developing countries," he said.

"When we focus on developed countries, we missed out on developing ones which can also put up high tariffs," Dr Mahathir said.

The Prime Minister said this to reporters after officiating the MSC-Lucent Bell Labs Technology Forum here today. -- BERNAMA

SHO MR KTC