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Rafidah: Asean members not permitted to enter into FTAs

SHAH ALAM, Sat. - International Trade and Industry Minister Datuk Seri Rafidah Aziz said Asean members are not permitted to enter into any free trade agreements (FTA) with other countries as such a move would affect the grouping's interests.

She said member countries were aware of the restrictions imposed on signing individual bilateral FTAs.

"It has been our stand that bilateral agreements by any individual Asean country should not undermine, distort or violate Asean trade," she said.

"It should also not overtake whatever that has been agreed upon under the Asean Free Trade Area," she said.

Rafidah, who is also Wanita Umno chief, was speaking after launching the movement's gerak kerja campaign and website.

The Minister was commenting on Prime Minister Datuk Seri Dr Mahathir Mohamad's comments in Tokyo yesterday that Asean was worried that Singapore could be used as a backdoor entrance by other countries to enjoy the privileges of Afta following the republic's proposed free trade agreements with Japan and the United States.

Dr Mahathir said other Asean members feared that they would not be able to compete with products from other countries that could be entering Singapore duty free and exported from there to other Asean countries.

(When Afta comes into force in stages beginning 2003, there should be no trade tariff or reduced trade tariff between Asean member countries).

Asked whether Singapore had entered into any trade agreements with New Zealand, Rafidah said that what had been established was only closer partnership agreements.

In the case of Singapore, she felt it might not involve an FTA because the republic was already a duty-free country.

"If it is a closer partnership agreement, it does not contravene Asean's position because there are no tariffs involved. Malaysia has no objection to this."

On whether Singapore realised that its proposed free trade agreements would be detrimental to other Asean countries, Rafidah said the republic should be aware of this as it was a member of the regional grouping.

She said Asean countries would collectively ensure that the backdoor entry practice would not happen, adding that the Asean secretariat was monitoring the situation.

Rafidah, who was in Shanghai for the Apec trade ministerial meeting, said she was satisfied with it as the meeting did not only focus on tariff cuts and trade liberalisation as this was what always happened.

Instead, the meeting delved on ways to increase Apec's capabilities with the advent of globalisation and commitments to liberalise free trade under the World Trade Organisation.

On the new round of talks, Rafidah said Malaysia stressed that it should only proceed if a balanced agenda and effective participation of small and developing countries could be assured.

"We do not want to see the same thing happening again where small countries, which are also going to be affected by any commitments made, are excluded from the talks.

"Many felt the pinch only much later when they found out that they could not open up their markets when required as doing so would only lead to a collapse of their local industries."

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