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MAHATHIR-FTA

SINGAPORE'S NON-ASEAN FTA A WORRISOME THING, SAYS MAHATHIR

KUALA LUMPUR, Feb 26 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said Singapore's unilateral free trade agreements (FTA) with non-Asean members was a "worrisome" development affecting the Asean Free Trade Area (AFTA).

"This is a worrisome thing because generally in AFTA we accept that anything with a 40 percent local content, must be regarded as national, and can enter into markets of other (Asean) countries," he said.

Dr Mahathir said non-Asean members could use FTA to enter into AFTA by bringing in partly completed products into Singapore and complete them on the island-state so that the products would be regarded as Singapore-made.

Speaking at a press conference after opening the International Conference on Globalisation here, he said: "We have to watch this very carefully because this can be a kind of backdoor entry into AFTA."

Singapore, which has so far signed a FTA with New Zealand had on Friday ended a first round of talks with Australia on a similar pact.

While the non-Asean FTA has been criticised as undermining AFTA, Singapore has been negotiating such agreements with countries including Japan and the United States.

AFTA aims to slash tariffs to between zero and five percent by 2003 for the more developed members of the 10-nation Asean grouping and a later date for the poorer member countries.

Malaysia had been given a two-year extension to open up its automotive sector as the sector was badly affected by the recent regional financial crisis.

-- BERNAMA

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