

# PM criticises trade talks obsession

STAR 20 MAR 2002

By TAN KAH PENG in Berlin

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday criticised the obsession of certain countries for a new round of trade negotiations as a panacea to the problems besetting the multilateral trading system.

Trade negotiation is not important except when the objectives are clear and time is given for the proposals to be studied by all," he told a meeting of the Confederation of German Industries and German-Asia Pacific Business Association in Berlin, Germany.

Dr Mahathir said many problems still existed in the implementation of existing agreements, and the imbal-

ances in the various Uruguay round pacts that adversely affected developing countries had not been adequately addressed.

Yet, certain countries were not only forcing the issue but also using trade and investment "as instruments to twist the arms of disadvantaged countries and force them to submit," he said.

"Poor countries also lack the resources and the manpower to negotiate," Dr Mahathir added.

"They can be easily browbeaten into accepting conditions which would prove harmful to them."

"Even the negotiations are not fairly conducted.

"The powerful are not free from unacceptable practices but pressure

cannot be brought to bear on them effectively as they are not so trade-dependent.

"While it is expected that inefficient corporations in poor countries should be left to wither and die, inefficient farms in the rich countries continue to be subsidised for political reasons. The same can be said of the garment industry."

Dr Mahathir said although the gathering in Berlin was concerned with German industries and the Asia-Pacific, there was a need to look at the bigger picture - at the world in the era of globalisation, which Malaysia was not against.

But market liberalisation and globalisation must not mean "the colossal banks and corporations can

ride roughshod over everyone in their quest for profit," he said, and called for sufficient regulation to ensure fair trade and the well being of people.

Turning to Malaysia as an investment centre, Dr Mahathir said German companies in the automotive industry "will be most welcomed" to invest particularly in the manufacture of specialty parts and components, electronic modules and navigation systems.

Malaysia's aim, he added, was to reduce its dependence on imports of automotive parts, which amounted to US\$34.7bil in 2001 while exports totalled US\$31.2bil, and to develop itself as the base for the manufacture of components.