

PM: Poor I

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nations live in fear of economic terrorism

LANGKAWI: Datuk Seri Dr Mahathir Mohamad said poor and developing countries live in fear of "economic terrorism" as the rich nations of the world try to counter terrorism by spending billions in futile defence.

"While the rich fear the terrorists, the poor, too, live in fear. They live in fear of the predatory rich bent on taking over their economies and their countries.

"What I say is not an exaggeration or alarmist; globalisation and free trade along with democracy are being touted as the saviours of the world and in particular the poor. But our experience till now is that we are being destabilised and robbed," he said in his keynote address at the banquet of the sixth biennial Langkawi International Dialogue (LID) 2002 at Mahsuri International Exhibition Centre at Padang Matsirat here last night.

Dr Mahathir said countries were being told to open up their economies to foreign participation, adding that there was no doubt that foreign direct investments (FDIs) in industrial production had created jobs and increased the wealth of the poor.

"Malaysia has greatly benefited from FDI. But now the rich are competing with the poor to attract FDI. They are providing land and capital free to foreign firms, including those from the newly developing countries, to site their plants in the rich countries," he said.

"The failure to set up plants in their countries can mean all kinds of

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It's still possible to fight off threat together, says Mahathir

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non-tariff barriers and discrimination. The result is not an inflow of capital into the poor countries but starvation of FDI and even outflow of capital," he said.

"One rich country was able to attract a major investment away from Malaysia by offering US\$200mil (RM760mil) to the corporation apart from other perks. There is no way Malaysia can offer anything

like this," he said.

The Asian financial crisis was another example of economic terrorism, he said when delivering the keynote address at the banquet of the sixth biennial Langkawi International Dialogue (I.D.) 2002 at Mahsuri International Exhibition Centre at Padang Matsirat here last night.

He said about 50 years ago, many of the colonies of the Western countries won inde-

pendence but quickly realised that they had gained nothing.

He said economic pressure was used to deny real independence for these countries, adding that it was Indonesia's President Sukarno who first recognised this and called it "neo-colonialism."

"He was laughed at by the world. But today economic pressure has replaced the gunboat to threaten independent countries. Just as in the colo-

nia era the regions of Asia, Africa and Latin America were unable to defend themselves, today the newly independent countries are unable to defend themselves."

"They are terrified of being colonised once again through economic pressure coupled with the propaganda of the media," Dr Mahathir said.

"Only economic terrorism is made out to be legitimate and to be deserving of support

by everyone."

He said to fend off economic terrorism, countries must first understand what was hitting them.

"Then we must work together within our borders and between our countries. We are weak and we are client states, dependent on aid and loans. But it is still possible to take a common stand to fight off the threat," Dr Mahathir added.

The Prime Minister said it

was not that globalisation and the free market were bad but the interpretations of these ideas that were bad.

"If we come up with a proper interpretation, with proper safeguards for us, which recognise our weakness and our need for time, then globalisation and the free market can help us achieve economic growth and maintain our independence. It is entirely possible to do this," he said.