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Dr M: Rich nations unfair (HL)

Ashraf Abdullah

LANGKAWI, Sat. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today that unfair competition from rich countries in attracting investments was economic terrorism, and developing nations should unite against it.

He said some of the participants of the Global 2002 - International Smart Partnership Dialogue felt that economic terrorism could only be defeated if developing countries were united in their campaign against unfair investment practices.

The dialogue was attended by 18 Heads of State or Government, or their representatives.

"We find that (rich) countries, sometimes their States and even municipalities, offer free land and subsidise capital in order to attract foreign investments.

"Even newly-industrialising countries like South Korea which have to put up plants abroad, have been given these offers in order to attract industries to the developed countries.

"This means that the developing countries have to now compete with the developed countries.

"We, of course, compete with them, but this is unfair competition and we cannot match what they can do," he said at a Press conference.

Dr Mahathir was asked to elaborate on his speech at the Global 2002 welcoming banquet on Wednesday where he had said that a particular country had drawn a major investment away from Malaysia by offering US\$200 million (RM760 million) and other perks to the corporation.

The Prime Minister did not name the country but said Malaysia lost out because it could not match the offer made by the rich country.

Asked if he was referring to the Australian Government which offered incentives to Australian-based Comalco Ltd to site its operation in Queensland although it had earlier decided to invest in Malaysia, Dr Mahathir said: "I don't know about that."

He said several papers at the dialogue, including one tabled by the director of the Third World Network Martin Khor, spoke about programmes within the World Trade Organisation which were detrimental to developing nations.

In his speech on Wednesday, Dr Mahathir had said poor nations and their people ran the risk of ending up in the doldrums if economic terrorism was not defeated at all costs.

He said although globalisation and free trade along with democracy were being touted as the saviours of the world and in particular the poor, experience had shown that they were being destabilised and robbed.

He urged developing nations to work together within their borders and among them to fend off economic terrorism.

Asked what was the best way to overcome economic terrorism, he said developing countries should understand the issue and then take a standard approach.

He said although Malaysia had suggested that developing countries forge a united stand, an immediate reaction was not expected.

"But I am quite sure what I said had registered in their minds and we will have to follow up," he said.

Dr Mahathir, who had on several occasions expressed disappointment with countries of the South because they could not agree on issues due to petty differences, was asked whether he still felt that way.

"I am still not satisfied especially on issues that we are interested in. Among the Muslim nations for example, we still cannot reach a consensus on the Palestinian issue."

On this year's Global 2002, Dr Mahathir said the dialogue was more diversified than those of the past.

"We had more activities and more people to interact with unlike the usual dialogues where people presented long papers."

The Global 2002 - International Smart Partnership Dialogue this year incorporates the Langkawi International Dialogue, Southern Africa International Dialogue and for the first time, East Africa International Dialogue.

Dr Mahathir said there were no plans to invite other countries like those in South America for future dialogues because too many participants could paralyse the talks.

He added that even after his retirement in October next year, he would attend future dialogues if he was invited.