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Mahathir-Panacea

PM SAYS TRADE ROUNDS HAVE BECOME AN OBSESSION FOR SOME

By: Muin Abdul Majid

BERLIN, March 19 (Bernama) -- Datuk Seri Dr Mahathir Mohamad has criticised some countries for being obsessed in launching a new round of trade negotiations as if it is the panacea to the problems besetting the multilateral trading system.

The prime minister described trade negotiations as not important except when the objectives were clear and time was given for the proposals to be studied by all.

Dr Mahathir, who is also finance minister, reiterated that trade negotiations should not include non-trade issues which were already being considered in other international bodies.

"Using trade and investment as instruments to twist the arms of disadvantaged countries and force them to submit is a form of discrimination that is likely to make the poor poorer still," he said.

Dr Mahathir said this in his speech at a meeting with the Confederation of German Industries and German-Asia Pacific Business Association here Tuesday.

The prime minister had earlier arrived in the German capital from Munich, the starting point of his three-day official visit to Germany which ends Wednesday. He is scheduled to depart for Poland on Thursday.

Dr Mahathir said the powerful were not free from unacceptable practices but pressure could not be brought to bear on them effectively as they were not so trade-dependent.

He said while it was expected that inefficient corporations in poor countries should be left to wither and die, inefficient farms in the rich countries continued to be subsidised for political reasons.

The same could be said for the garment industry, he added.

Lacking the resources and the manpower to negotiate, he said poor countries could easily be bullied into accepting conditions which would prove harmful to them, and even the negotiations were not fairly conducted.

"The problems related to the implementation of existing agreements and commitments which were adversely affecting developing countries have not been fully addressed," he said, noting that existing imbalances in the various Uruguay Round agreements also needed to be adequately looked into.

Dr Mahathir said provisions which were presently on a "best endeavour" basis needed to be strengthened so that the special and differential treatment accorded to developing countries could be more effectively acted upon.

Furthermore, the prime minister said it was sad that today, one should still find countries and people who were extremely poor while some countries were wastefully rich.

"Yet, there is so much talk about human rights and social justice. If wealth is more equitably distributed, then problems like child labour and sweat shops would not arise," he added.

Dr Mahathir repeated that it was time that the excessive wealth of the rich be subjected to a world tax to pay for needed infrastructure in poor countries.

The prime minister had first broached on the issue of a world tax on infrastructure at an economic forum in Hainan, China last year.

Malaysia, he said, was concerned with the equitable distribution of the benefits of globalisation, believing that the process should neither be dictated by anyone nor the pace forced by selected countries for their own

benefit.

"Globalisation should not be for the sake of globalisation. It should be an instrument for the betterment of humankind. We have seen too many ideologies and systems which held great promise at first, only to destroy countries and people instead," he added.

Dr Mahathir told his German audience that Malaysia was not against globalisation and market liberalisation but these processes must not mean anarchy in which the colossal banks and corporations could ride roughshod over everyone in their quest for profit.

Liberalisation should not mean total deregulation as sufficient policy and regulation were needed to ensure fair trade and consideration for the well-being of people in general, he said.

In promoting Malaysia to Germany, he said Malaysia would continue to offer considerable opportunities for German investors in the manufacturing and manufacturing-related support services sector.

Also, world-renowned German firms in the automotive industry were most welcome to invest in the automotive sector in Malaysia, particularly the manufacture of specialty parts and components.

Dr Mahathir said German information technology entrepreneurs could either sell or share their technologies with Malaysia through foreign direct investment, partnerships and joint ventures.

Germany is Malaysia's largest trading partner in Europe with 2001's total trade valued at US\$4.8 billion (US\$1=RM3.80). Between 1996 and 2001, 122 projects with German interests were approved involving investments worth US\$1.2 billion.

The prime minister said he would like to see more tourists from Germany coming to Malaysia as only 70,401 of the 12.8 million tourists who visited Malaysia in 2001 were from Germany.

Later today, Dr Mahathir is scheduled to open the new Malaysian embassy building at Klingelhofenstr 6 in Berlin and attend a concert by the Venice Baroque Orchestra at Konzerthaus Berlin.

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