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Mahathir-FTA
MALAYSIA STUDYING EFFECTS OF FTAS

By: Siti Hawa Othman

TOKYO, May 21 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today a free trade agreement (FTA) between countries is a matter that needed careful study as it can render regional trade pacts ineffective.

He said if members of free trade areas had FTAs with many other countries, eventually and practically the whole world would have FTAs.

"Then the whole idea of having regional trade agreements would become ineffective because the whole world becomes a free trade area," he said.

The Prime Minister was speaking at a question-and-answer session after delivering his keynote speech on "China - A Challenge or an Opportunity for Asean" at the 8th Nikkei International Conference here.

Dr Mahathir also said Malaysia had not joined any FTA.

He said that before a country became a free trade partner of a country outside the region, there should first be a study as to whether the FTA should be between countries within a regional grouping or countries outside the grouping.

"We (Malaysia) are watching as to what will happen (to FTAs) between Singapore and Japan, Singapore and New Zealand and Singapore and the United States as to whether it will affect the Asean Free Trade Area (Afta) or not," he said.

To questions as to whether there would be instability in China in adapting to the world's free trading system, he said when China decided to join the rest of the world, it did not want to change everything but chose to change only its economic system by accepting the freer economic system of the rest of the world.

However, it retained its political system which enabled China to remain stable, Dr Mahathir said.

"Had China tried to change both the economic and political systems, then what happened to the Soviet Union would also happen to China," he added.

In this regard, he said China was wiser to have observed what happened to the Soviet Union and retained its political system.

To a question on the importance of intellectual property rights (IPR), he said it was important to the people who had invented and innovated something with a higher market value.

However, he said there was also the need to consider the needs of some people, for instance, in the case of drugs, where people from poorer countries, could not afford to buy expensive drugs for treatment of diseases such as AIDS.

At the same time, he said the expensive cost of software too had brought the tendency for people to duplicate.

Malaysia had tried to curb these activities but it was too difficult to stop the distribution of illegal software.

As a result, there should be some compromise for people who produced the software or drugs to lower the cost but at the same time maintain reasonable profits, said Dr Mahathir.

"Hence, there is a need to seek the co-operation of producers to have the prices reduced as the infringement on IPR has affected every country."

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-- BERNAMA
SHO MR SHY AAM

