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MAHATHIR-AFTA

MSIA WILL NOT INTRODUCE NON-TARIFF BARRIERS TO PROTECT AUTO SECTOR

KUALA LUMPUR, May 6 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said that Malaysia will not introduce non-tariff barriers for its automotive industry in 2005 when it must comply with market opening measures under the Asean Free Trade Area (AFTA) for the sector.

Refuting talks that such trade barriers would be introduced, he said: "It is (just) talk. It is the kind of talk that people tell. We have no such ideas in mind," he said

Dr Mahathir was fielding questions at a press conference after his keynote address at the 35th International General Meeting of the Pacific Basin Economic Council (PBEC), here today.

Asked why Malaysia had not gradually reduced its import duty in the automotive sector despite the 2005 deadline just being two years away, Dr Mahathir said that by that time, Malaysia should be more efficient and cost effective.

Malaysia has been given a two-year reprieve for its automotive industry for its commitment to cut duties under AFTA which comes into effect in 2003.

He said under AFTA, Malaysian national cars would be less competitive as it has 90 percent local content compared with the 40 percent local content policy under AFTA.

However, Dr Mahathir was quick to add that Malaysia subscribed to AFTA and would honour its commitment.

Asked whether Malaysia would ask for a review of the 40 percent local content policy, Dr Mahathir said Malaysia remained committed to the 40 percent clause. -- BERNAMA

MAD MKO/MR