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MAHATHIR-WTO

DEVELOPING COUNTRIES WANT FAIR AGENDA IN WTO

By: Siti Hawa Othman

BANGKOK, Oct 20 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said developing countries including Malaysia would like to see fair and equitable trade in the process of globalization and that should be the agenda of the World Trade Organization (WTO).

While it is clear that countries should stick to globalization and the WTO, he said there should be changes and re-interpretation of the agendas.

The agenda should give sufficient weightage to the thinking of developing countries, he said in response to a question on the failure of the WTO talks at Cancun during a dialogue session on the challenges of globalisation at the APEC Chief Executive Officers' Summit, here.

"The Doha Round was for development but little was done for the developing countries. We had to go to Cancun where new approaches and new ideas were suggested but development is ignored," he said.

He said this in reference to developed countries wanting to push through new multilateral rules on investment, competition, trade facilitation and transparency in government procurement.

"What should be done now is that members should be ready to sit and admit that the wrong step was taken in the first place by not giving due consideration to the problems of developing countries," he said.

"We should then draw up a new agenda agreed to by all countries, how we can improve the situation in developing countries along with the situation in developed countries," he said.

To a question on the free movement of capital, he said countries should have a say in the movement of capital into or outside of the country so that trade and financing would be much healthier and not subject to speculations and manipulations.

If there was to be capital movement, he said that the movement should be subjected to international rules and domestic rules devised by the countries where the capital was moving in or out.

Emphasising on the need for rules in financing trade in international finance, he said the Bretton Woods principle was for the need to have rules to ensure that financing of international trade was regulated in a way that will benefit anyone.

"Now we are getting a bit confused. On the one hand, we want a rules-based trading regime and on the other hand, we are talking about deregulation where the market will determine, will discipline itself and will discipline the government."

"This is a ridiculous idea because the market is about making money, making profits. They are not interested in what kind of government there is in any country as long as they can make money," he said.

"What should be thought now is the need for rules and that countries need rules, regulations, policies to ensure their economy grow and be able to compete with others."

"One has to accept the fact that the government is still relevant and the idea that governments are obstacles to free trade is not acceptable, he said.

-- BERNAMA

SHO MR MKO