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PM: Free trade can be unfair (HL)

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PRIME Minister Datuk Seri Dr Mahathir Mohamad made a resounding start to the opening day of the Asia-Pacific Economic Co-operation Summit yesterday by telling corporate bigwigs at a side event that free trade does not equal fair trade.

He received a lot of applause and laughter for his remarks, made during a panel discussion at the Apec CEO Summit, a parallel conference attended by some of the region's top businessmen, many of whom were seen nodding in agreement.

Dr Mahathir was referring to the deadlock between developed and developing countries at the recent World Trade Organisation ministerial meeting in Cancun where the agenda for free trade was in dispute.

Free trade, he added, should take into account the disadvantages and weaknesses faced by the smaller countries because only then could it be fair.

"Fair trade can be free but free trade can be unfair," he said to laughter and applause from the audience.

The other speakers on the panel in that discussion on globalisation were New Zealand Prime Minister Helen Clark and Chilean President Ricardo Lagos Escobar.

In an off-the-cuff presentation, Dr Mahathir said the problem with the globalisation agenda now was that it was drawn up by the developed countries.

"Since developed countries prepared the agenda, naturally they came up with matters close to their hearts, which would give them maximum results. The first thing about free trade to them is access to every corner of the globe and the reduction of all kinds of restrictions and to let the most efficient people run things, which will benefit them."

This, he said, was also the agenda that the developed countries wanted to push in WTO.

The Prime Minister said developing countries could see that their interests were being threatened and they began to resist, starting with Cancun.

"So we rejected the agenda. But it's no good rejecting the agenda if we do not have a new agenda of our own."

Dr Mahathir said national pride should also have a place in the agenda of the developing countries.

"Sometimes you even go to war over this thing called national pride. We would like to have something of our own. We would like to have a small automotive industry and to be able to say 'look, this car was built by us and it runs'."

Dr Mahathir said for the developing countries like Malaysia, Cancun was not a failure but a minor success.

"We have to follow it up with our proposal for our own agenda. We hope the rich will accept that the agenda can also come from the poor as it can come from them."

After the panel discussion, Dr Mahathir took part in the main Apec programme and joined the other 20 heads of member economies at a retreat at the Thai Government House.

This was followed by an interaction session with members of the Apec Business Council during which the Prime Minister was seen having lively chats.

Apec leaders had an audience with the Thai King before they were treated to a gala dinner last night.