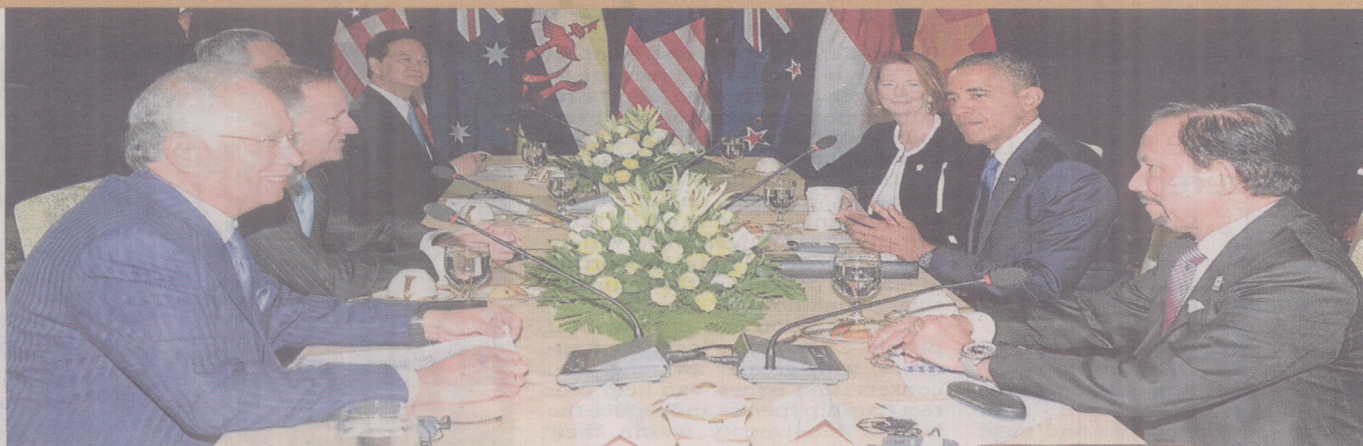


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Prime Minister **Datuk Seri Najib Razak** joining other Pacific rim leaders for **Trans-Pacific Partnership** talks in Phnom Penh last year. Bernama pic

TPP will be another bad pact

NS7-12/7/2013

UNEQUAL PARTNERS:

The Trans-Pacific Partnership Agreement will allow big economies to plunder smaller ones

THE secretary-general of the International Trade and Industry Ministry avers that trade negotiations must be done in secret, I suppose by the officers concerned. There should apparently be no public debate, even within the government.

I don't think it is such a good practice, if indeed that is the practice. Let us see the record of trade and other agreements negotiated by the Malaysian government. They do not seem to favour Malaysia much. In fact they seem to result in Malaysia accepting unfavourable terms.

First, let us look at the water agreement with Singapore. Malaysia agreed to sell raw water at 3 sen per 1,000 gallons (4,546 litres). In return Malaysia can buy 12 per cent or less of the treated water for 50 sen. If the rates are to be revised both countries must agree.

If Malaysia raises the rate to 6 sen per 1,000 gallons (i.e. 100 per cent) then Singapore can raise by the same factor to RM1 per 1,000 gallons of treated water. This is not going to

benefit Malaysia. And so we never tried to renegotiate the prices.

The first agreement lapsed in 2011 and we did not renegotiate at all. The next agreement will lapse in 2060. So we will be getting 3 sen per 1,000 gallons of raw water when the cost of living has probably gone up many many times.

To avoid Singapore revising the price of water if we raise the price of raw water, Johor was given enough money to build its own treatment plant. Not having to depend on supply from Singapore, we could raise the price of raw water without Singapore raising the price of treated water.

I am told that Johor still needs to buy treated water from Singapore. I really do not know why. So, the price has not been renegotiated and I suppose will not be renegotiated until 2060.

Today, the Singapore dollar is 2½ times the value of the Malaysian ringgit. At the time of the agreement it was one to one. Are we receiving payment in Singapore dollars or Malaysian ringgit? Or is this a secret also?

Frankly I don't think we thought very carefully when we negotiated. Incidentally, Johor sells water at 30 sen per 1,000 gallons to Malacca, i.e. 1,000 per cent higher than to Singapore.

There are many agreements entered into by Malaysia that are unfavourable to us.

For example, the Afta, the Asean

Free Trade Area. We agreed that cars with 40 per cent local content qualify as national cars and allowed tax-free entry into Asean markets. Forty per cent local content is easily achieved by non-Asean cars produced in Asean countries.

This means Japanese, Korean, Chinese and European cars can get Asean countries' national status merely by being assembled in Asean countries with batteries, tyres and a few other components.

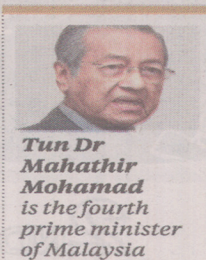
We produce the Proton in Malaysia with 90 per cent local content. Naturally, our costs are higher and cannot compete with non-Asean cars assembled in Asean countries. While these cars flood the Malaysian market, hardly any Proton is seen in Asean countries.

The negotiators may think they negotiated a good deal but I just don't think so. We are simply opening our markets to countries with closed markets.

But to make matters worse, while Proton must comply with Malaysian safety and other standards, imported cars are given exemptions from most of these.

If Proton wishes to export to the countries of the manufacturers, it must comply with all their standards. So far, we cannot export to Japan, Korea and Europe.

This is how good the agreements which we have entered into upon closer examination.



Tun Dr Mahathir Mohamad is the fourth prime minister of Malaysia



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Democracy's limitations laid bare

NST-12/7/2013

→ *From Page 15*

In that sense, the Brotherhood is clearly the most politically cohesive group and will naturally triumph in any free and open political contest. In a country as sophisticated as Egypt, which has a long tradition of Islamic civilisation, the limitations of democracy are laid bare.

As former prime minister Tun Dr Mahathir Mohamad had argued, so-

cieties in the developing world (Malaysia included) fail to appreciate that for any democracy to be successful, election losers must respect the winners and pledge to work together for the greater good of all after any election.

Did the Egyptian opposition sincerely seek to work with the Muslim Brotherhood after the latter won in an election or did the former seek to undermine a duly elected Egyptian


government in order to bring forth the very outcome we are now witnessing?

The evidence may be rather circumstantial right now as to Western, particularly US, involvement (given the lack of any strong condemnation) in the overthrow of Egypt's first democratically-elected president. If it is later proven, the repercussions will be profound indeed.

One only has to look at the state of

Iran's relations with the West right now. Even as Western media and observers do their best to demonise Iran, it is important to remember that Iran's political development today is the direct consequence of Western intervention to overthrow a duly elected Iranian prime minister that eased the rule of the last shah.

Developments in Egypt today may prove a pivotal watershed.

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