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Dr M: TPP will jeopardise Malaysia's trade with China

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Ex-premier says there's a US political agenda behind the new free trade pact

by **KAZI MAHMOOD**

TUN Dr Mahathir Mohamad has come out blasting the Trans Pacific Partnership (TPP) agreement, the

latest regional free trade pact, which he said would jeopardise Malaysia's trade with China.

The former Malaysian prime minister, who had railed against a US-led APEC when he was the premier, said the new TPP was a thinly disguised trade block to neutralise China's rise in the region.

He said this will not deliver the expected benefits in trade with the US.

The 18th round of negotiations over the details of the TPP by 11 countries will be held in Kota Kinabalu next week. Japan has been invited to join but China is an outsider to the talks.

Speaking to *The Malaysian Reserve*, Dr Mahathir said Malaysia should consider the political agenda behind the proposed trade pact.

"We will be tied up to them and whatever policy they decide, our

trade with China will be affected," he said.

"In the meantime, our trade with the US will not be increased, despite the claims that trade within the TPP will amount to billions and trillions of dollars.

"There is a political aspect to the TPP and it is about China. There is a trade line-up against China under the TPP. Why should we participate

SEE P4 COL1

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TPP being used to stifle China trade



Pic by Muhd Amin Naharul

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FROM P1 TPP

in this. China is also a major export market for Malaysia," he said.

He said when the General Agreement on Tariffs and Trade (GATT) failed, the US went for the World Trade Organisation (WTO) and when that failed too, they went for the APEC in a bid to penetrate the emerging markets.

"With APEC also they cannot penetrate the emerging markets so they want globalisation and this is only for one purpose, that is to protect their own trade," he said, adding the US is worried about China.

"And therefore we are going to be used to fight against China. I am very frank and there is a political reason behind the TPP and to our cost," he said.

The GATT was a multilateral agreement regulating international trade, it was replaced by the WTO which is the only international body dealing with the rules of global trade.

China has over taken Singapore as the biggest export market for Malaysia as trade between the two countries peaked at RM302 billion in 2012. China is a major importer of Malaysia's palm oil.

Dr Mahathir said when a country like the US proposes something, obviously it is because it is to their advantage.

"They have been trying to enter the small, emerging markets and they want to be treated like national industries.

They have all the advantages of the technology and the capital and they move in and out as they please. Whenever they find the situation is bad, they move out," he said.

He said government procurement and capital controls will suffer under the TPP, risking another financial collapse as in 1997, adding that opening up the market will be a one sided thing.

"I am not rejecting TPP completely but I am saying this is to be studied carefully," he said.

Dr Mahathir also spoke on the "Look East Policy" which played a crucial role in his role as prime minister, saying without it, Malaysia would be lagging behind.

Malaysia has an automotive industry and it has been developed to a certain extent that some people call it a developed nation and all this, he said, was done through looking at models from the countries in the east, not those in the west.

"If you go to the West today, they have not changed, you do not see busy steel cranes there as you see here. They are still glorifying their past.

"But we learned from South Korea, China and Japan which are all eastern countries. That is why we progressed, that is by looking east. Without looking east, today we will be having the same problems that the west has," he said.