

# 'Prepare for trade sanctions'

## Dr M: Work with Asean neighbours amid US-China fight

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**KUALA LUMPUR:** Malaysia must brace itself for possible trade sanctions if it is caught in the US-China trade war which may be the next Cold War, says Prime Minister Tun Dr Mahathir Mohamad.

"The US-China mega trade war may be a symptom of something far worse - growing rivalry between the world's two biggest powers developing into another Cold War."

Addressing the Institute of Strategic and International Studies' Praxis Conference 2019 yesterday, he said it was disappointing to see the proponents of free trade now indulging in restrictive trade on a grand scale.

"Unfortunately, we are caught in the middle. Economically we are linked to both markets, and physically we are also caught in between for geographical reasons.

"There are even suggestions that we ourselves would be a target for sanctions."

He said Malaysia should hope for the best and prepare for the worst by working with its Asean neighbours to cushion the impact of a superpower collision.

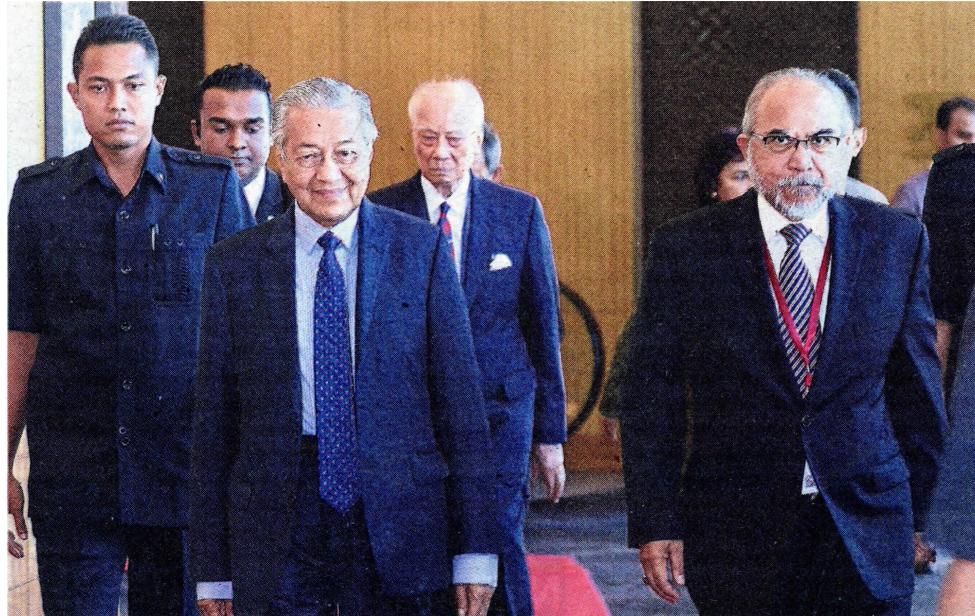
"We have to enhance our collaboration. This means building capacity by developing our competitiveness," he said.

He suggested developing Malaysia's very own world-class companies that could take on rivals.

"One way to achieve this is by identifying our assets and capabilities so as to enhance our capacities to take advantage of the new technologies. And then include the quality of our human resources," he said.

Dr Mahathir pointed out that the challenges faced by a small nation like Malaysia are due to the bullying ways of powerful nations.

"Having cleared most of their forests and



**Act now:** Dr Mahathir with ISIS Malaysia chairman and chief executive Tan Sri Rastam Mohd Isa (right) arriving at the Institute of Strategic and International Studies' Praxis Conference 2019.

refusing to reduce their noxious emissions, they now try to impoverish the poor by preventing them from clearing their forest for living space and earning a living. A campaign to undermine their products has been launched by the rich.

"Now, we have to contend with the increasingly damaging and protracted trade war.

"A trade war between the world's largest economies is bound to fracture the world trading system. Businesses need to plan smoothly and avoid disruption. But tariffs, counter-tariffs and other impediments to free

trade is now becoming the new norm."

Later, at a question and answer session, Dr Mahathir said that it was fortunate that Asean had managed to keep the warships out of the South-East Asian waters.

"Asean is one of the regional bodies that are still functioning. Even the European Union is not functioning very well."

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