

Trade wars affect world economies, says Dr M

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BAKU (Azerbaijan): While the threat of war still looms despite the end of the Cold War, trade disputes which are fast turning into trade wars are causing havoc in the world's economies, says Tun Dr Mahathir Mohamad.

The Prime Minister said the uncertainties they caused had led to nations becoming unable to plan and develop their countries, impoverishing their people and causing social disorders.

"The trade wars are proving to be equally damaging and devastating, and using trade as a weapon today is an insidious way of choking nations," he said when addressing the 18th Non-Aligned Movement (NAM) Summit here yesterday.

Dr Mahathir, who last spoke at a NAM Summit 16 years ago when Malaysia hosted it in Kuala Lumpur, said the increasingly damaging and protracted US-China trade dispute has left Malaysia and other nations

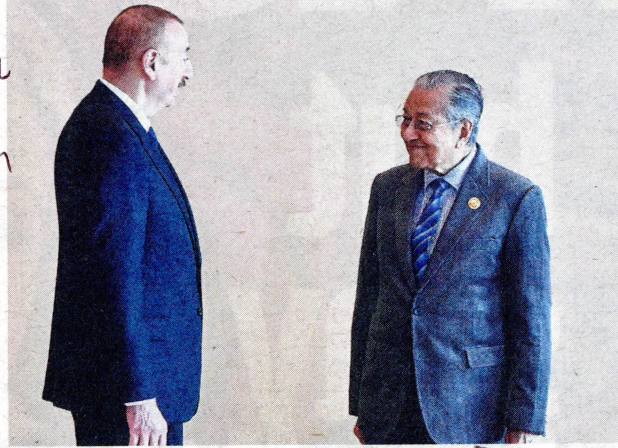
wondering when it would end and what kind of devastation would be left in its wake.

"Businesses need to plan smoothly and avoid disruption. But tariffs, counter-tariffs and other impediments to free trade may now become the 'new normal'," he added.

Pointing to the ongoing US-China mega-trade war, Dr Mahathir said it might be a symptom of something far worse, growing rivalry between the world's two biggest powers, lasting indefinitely.

"Unfortunately for Malaysia, we are caught in the middle as the country is economically linked to both markets and physically also caught in between because of its geographical location," he said.

Speaking on the topic of "Upholding the Bandung Principles to Ensure Concerted and Adequate Response to the Challenges of the Contemporary World", Dr Mahathir said going to war was not the only



Welcome:
Dr Mahathir speaking with Azerbaijan President Ilham Aliyev at the Baku Congress Centre.
— Bernama

solution to settling disputes.

He said disputing parties could resort to negotiation or submitting to arbitration by third parties, such as the World Court and the International Court of Justice.

"We say this because Malaysia does not just talk, we do. We settle disputes with our neighbours through negotiations and through the World Court. We won some and we lost some. But no one has been killed," he added.

Dr Mahathir also said that he noticed the movement, which has

120 member countries and accounts for 55% of the world's population, has changed and was not as united as it used to be.

He said NAM should not give in to powerful countries and give them the satisfaction of seeing it divided.

"In the dangerous world that we currently live in, we must defend and champion the 10 principles of the 1955 Bandung Conference.

"We must do this together. Only then can we continue to revive the movement towards meeting its objectives," he said. — Bernama