

Dr M, ASEAN leaders to address trade war concerns in Bali

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From Saraswathi Muniappan

BALI (Indonesia), Oct 10 (Bernama) -- Tun Dr Mahathir Mohamad is scheduled to arrive here Thursday to join fellow Asean leaders address deep concerns that the ongoing tariff war and protectionist tendencies will rob the benefits that international trade should rightly deliver to the global populace.

In the midst of the scorching heat on this resort island, the Prime Minister will lead the Malaysian delegation to the Asean Leaders' Gathering (ALG) amid rising tensions as the United States and China imposed tit-for-tat trade barriers on each other's goods.

As Bali hosts top officials of the International Monetary Fund (IMF) and World Bank from Oct 8-14 at their annual meetings and the ALG on the sidelines on Oct 11, they are acutely aware of the impending dangers to global business in the event of a full-blown trade war.

IMF Chief Christine Lagarde lamented ahead of the meetings in Bali that protectionist rhetoric was turning into "actual trade barriers"

"This is hurting not only trade itself, but also investment and manufacturing as uncertainty continues to rise," she said.

There will obviously be much to talk about for IMF and WB officials, as well as central bankers and ministers of finance and development as they ponder the direction the global economy will take if a full-blown trade war were to erupt.

Asean leaders, who are expected to touch on regional issues in preparation ahead of the Asean Summit in Singapore next month, will have to consider the ramifications of a trade war on the regional grouping.

This is in view that most economies in Southeast Asia are inextricably linked to the American and Chinese markets as the two economic superpowers are among their major trading partners, including Malaysia.

With the looming trade war, increasing protectionism and non-tariff barriers lurking in the backdrop, the meetings of the World Bank, IMF and Asean are undoubtedly a crucial gathering, perhaps in exploring ways to de-escalate trade tensions.

The IMF has since cut global growth target for this year to 3.7 per cent amid trade tensions from 3.9 per cent previously.

She said the world was in need of swift actions, as if the current trade disputes were to escalate further, they could deliver a shock to a broader range of emerging and developing economies.

Hence, in her opening address at the IMF-WB meetings today, Lagarde appealed to nations to work together to de-escalate the current trade dispute, modernise the global trade system, as well as implement domestic policies to ensure that global trade is more effective in delivering for the people.

Against such scenario, ALG would provide a platform for discussion and further engagement between Asean leaders and the IMF Managing Director, the World Bank President and the United Nations Secretary-General, to pursue efforts to step up cooperation among themselves.

With a population in excess of 630 million people, Asean is the world's third most populous market, behind China and India, and is the sixth largest economy in the world with a combined gross domestic product of over US\$2.4 trillion.

Dr Mahathir will be accompanied by his wife, Tun Dr Siti Hasmah Mohd Ali, Foreign Affairs

Minister Datuk Saifuddin Abdullah, as well as officials from the Prime Minister's Office and the Ministry of Foreign Affairs.

The theme of the meeting is "Achieving Sustainable Goals (SDGs) and Overcoming Development Gap through Regional and Global Collaborative Actions".

This will be Dr Mahathir's second visit to Indonesia since becoming prime minister for the second time after Malaysia's historic general election in May.

Singapore Prime Minister Lee Hsien Loong will also be here and co-chair discussions on sustainable development along with Indonesian President Joko Widodo.

Among other Asean leaders heading to Bali include Philippine President Rodrigo Duterte.

Dr Mahathir is also expected to hold bilateral discussions with his Asean counterparts during the gathering.

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