

Need for new economic order now more urgent

By ANNA TAING

THE need for a new world economic order, especially in trade and investment, has now become more urgent, as the present order has not been able to generate an overall growth in trade at levels which will have an impact on the world economy at large.

"The reality of the situation is that protectionism is still at an uncomfortable level, and the stalled Uruguay Round will provide fodder to protectionist elements," Ministry of International Trade and Industry Secretary-General Asmat Kamaluddin said yesterday.

He suggested that a pragmatic set of conditions and principles, which can be a version of a new international economic order, be put in place to boost the flagging state of the international trading system and world economy.

The decision making and responsibilities of the new economic order should be shared by a wider group of countries, representative of the total world community. This group of countries will coordinate efforts for the global good, rather than for national or restricted regional interests, he said at the Club of Rome Conference, Towards a More Equitable World Order, in Kuala Lumpur yesterday.

This, however, does not mean that the present order should be discarded completely, Asmat said. There are still many aspects of the old order which are still relevant for the future, he noted. The main concern is to maintain the multilateral and non-discriminatory as-

pects of the trading system, a cornerstone of the success of international trade over the years.

In the creation of a new world economic order, national aspirations to trade and investment must be respected by all, and should not be subject to preconditions set unilaterally, according to Asmat.

He listed several other "features" of the new order. These include:

The strengthening of multilateralism and non-discrimination; and

Recognition that international policies will have an effect on individual nations and that such policies should not adversely affect the rights and interests of nations.

Asmat also spoke of the rise of regional groupings, and pointed out that a highly interdependent global economy makes it improbable that countries in these groupings will isolate themselves. "Rather, the opportunities created within each group and the interlinkages will make the marketplace more attractive, and the creation of synergic forces unlimited," he said.

Describing such groupings as spheres of growth, Asmat said what is important is that they should be allowed to expand without hinderance from any quarter and that they should operate within the multilateral system.

Another advantage of such groupings is that individual countries which cannot integrate themselves into the global economy due to inherent weaknesses such as size and inadequate trade, can do so via the regional groupings.

Asmat also stressed the importance of the General Agreement on Tariffs and Trade (Gatt), pointing out that it will always be relevant for trade relations, present and future.

The Uruguay Round, therefore, should not end in failure, and Gatt members must stand by their commitments on standstill and rollback of tariffs agreed to in 1986. The Round's draft package, if implemented, will allow for the realisation of a new international trade organisation, which can be the framework for the new world economic order, he said.