

Dr Mahathir laments 'hit and run' business style

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PEOPLE LACKING COMMITMENT

THE Prime Minister has questioned the integrity of certain Malaysian entrepreneurs whom he described as mostly the "hit and run typew with long term desires to have short-term profits".

The Prime Minister said these entrepreneurs seemed to lack "real entrepreneurship", particularly in manufacturing.

"Consequently, we see little or no commitment to the future (of manufacturing), only shoddy products which in most cases have great difficulty in competing abroad.

"The recent recession, with the help of bankers, has wiped out quite a number of these so-called businessmen. Unfortunately, genuine ones have gone under too," he said at a dinner organised by financial institutions in Kuala Lumpur last night.

Dr Mahathir attributed Malaysia's inability to produce entrepreneurial giants to the "soft life" here. "No great effort is needed to develop estates or housing projects or cut down trees or dig for tin".

He said a land concession or a licence "can make almost anyone rich".

By AZMI M. ANSHAR

Dr Mahathir said an economist 80 years ago characterised development as the process through which entrepreneurs create new products, invent new techniques of production, create new markets, find new uses for materials and evolve new institutions or industrial combines.

New horizons

He said that by expanding into new horizons through these innovations, the entrepreneurs create wealth which, when distributed, lifts the living standards of society.

He also said that the same economist also described three key characteristics which make a successful entrepreneur:

- the vision or dream to create new things, markets or organisations;
- the competitive spirit, to prove excellence or superiority, and to succeed because success was in itself a reward while financial gain was secondary;
- the joy of creating, of

simply exercising one's energy and ingenuity and underlying these elements was the pioneering spirit to venture where no men had dared before.

"Frankly, these values are by no means absent in Malaysia (and) yet, something is missing. We seem to lack the real entrepreneurship to pull all these together, particularly in the manufacturing field.

"Business is at its best when there is both private profit and social gains and at its worst when profits are made at society's expense."

However, Dr Mahathir said that "all is not lost" as some venture capital funds would not seriously consider a project unless the entrepreneur had failed two or three times.

He said that it proved the promoter, had the determination to carry on trying despite the worst recession since independence and this should be "no less true" in Malaysia.

"Those who survived should be much wiser and fitter to try again while those who failed need not feel ashamed as long as they have tried their honest best — provided the lessons are learnt from their failures.

"(But) those who cheated and squandered deserve to be where they are today."

Dr Mahathir said that the fate and survival of Malaysia's "tiny pool of entrepreneurial talent" was in the hands of bankers who should give financial and management support especially in the formative years.

He urged them not to count too much on "solid gold collateral" because the recent recession had shown the weaknesses of collateral-based loans.

Bankers, he said, must continue to help those ventures that possibly will turn around with economic recovery and not stress losses too much, "no matter how painful it may be".

He said they must have foresight and must not foreclose every project merely because they have non-performing loans.

"Bankrupting all our entrepreneurs simply because the recession has rendered them incapable of servicing their loans will not help anyone; neither the borrower nor the bank nor the nation.

"Entrepreneurs need support and encouragement as competition is tough enough but when there is no support, even the most intrepid of entrepreneurs are likely to throw in the towel".

The Prime Minister also chided Malaysians who badmouth their own country.

He said these Malaysians were telling foreign investors that the Chinese were just about to revolt against the Government, ignoring the fact that the majority were loyal and wanted stability.

"The consequence is that foreigners lose faith in Malaysia and Malaysians of all races suffer.

He said he was inclined to agree with the recent statement made by Trade and Industry Minister Datin Paduka Rafidah Aziz that Malaysians were their own worst enemies.