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Dr Mahathir on interpreting globalisation, liberalisation

DEVELOPING countries must be wary of developed countries which have taken it upon themselves to interpret the meaning of globalisation and liberalisation to their advantage.

Prime Minister Datuk Seri Dr Mahathir Mohamad said developed countries interpreted these two terms as meaning the removal of barriers to their trade and their investments including portfolio investment.

"Developing countries need to watch this very carefully as their own industries are not yet able to compete and to take advantage of investments in other countries.

"In addition, the opening of their markets may result in unrestricted entry of competing products from industrialised countries which can afford to lose because they can make profit elsewhere," he said when launching the G-15 Trade Exhibition and the Malaysian Products Exhibition at the Mines Exhibition Centre, in Sungei Besi.

On the other hand, Dr Mahathir said, developing countries might not have products to export to markets which are opened to them, causing detrimental result to their economic and industrial development.

Hence, he added, the success of the G-15 members depended on their ability to understand the changes in the global market place and to influence these changes in their favour.

"They cannot be passive and accept anything and everything that is thrust upon them. They have to be more circumspect."

Dr Mahathir said developing countries have seen how a liberal policy towards currency and share trading has resulted in abuses which undermined years of painstaking efforts to develop the countries of Southeast Asia.

"While the majority of those who took advantage of openness are genuine and serious, we must not forget that there are many who only see opportunities for enriching themselves at our expense.

"Impoverishing us in order to enrich themselves is not something that they will hesitate to do."

Dr Mahathir also said G-15 countries must produce world class goods that are competitive and make its presence felt through aggressive marketing and promotion.

G-15 which has a large population was itself a ready market for a wide range of products and services, he said, adding that the group should take the initiative to forge new trade and economic partnerships.

Dr Mahathir said Malaysia's trade with member countries has expanded from RM5.86 billion in 1990 to RM16.72 billion in 1996 and the country's total trade with the G-15 in 1996 represented 4.24 per cent of its global trade.

He added the common shortcoming faced by G-15 countries was the acquisition of technology and members should band together to enable quick and effective technology transfer.

"Technology developed by a developing country is more appropriate and relevant to other developing countries. Countries that have technology should be willing to teach, support and transfer technology to countries that need the relevant technology.

"The basis of the G-15 should be one of co-operation and mutual support for each other and we must all adopt the philosophy and concept of 'prospering our neighbour'".