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Long-term investors welcomed

PARTNERSHIP. It is based on understanding, trust and concern for the each other. By extension in business and trade the partners invest and work towards mutual benefit. This is the smart partnership, long-term investors, any developing country like Malaysia desires and welcomes.

But when one investor seeks only to exploit the other, the emerging market, the partnership becomes unholy, immoral and devious. It benefits only the short-term investor, not the other, that is the country's economy.

Which is the reason why Prime Minister Datuk Seri Dr Mahathir Mohamad on Saturday called for smart partnerships of the future to involve investments that cannot be easily liquidated for one partner to scoot off with all the gains.

As Dr Mahathir said in his address at the opening of the 4th Asia-Kyushu regional exchange in Langkawi, smart partnerships are serious, long term, open and concerned with production of goods and services.

The overriding objective of a smart partnership is clear as it is simple: Both partners must benefit.

The country has long promoted smart partnerships, inviting foreign investors and offering them incentives to join hands with local companies or to establish their own ventures to assemble or manufacture products that will not only generate profits for themselves but also contribute productively to the economy of the country. It had been a model of smart partnership with foreign investors where both parties gained.

This mutually gainful alliance could have continued indefinitely, providing good returns to the foreign investors as well as enriching the country's economy.

But as it has been writ, good things in life do not last long. Greed set in as many investors came to the country with only short-term selfish interests.

This became obvious when over the last several months foreign investors came, borrowed from the local market to buy shares in the stock market.

When the prices appreciated sufficiently, they dumped the shares, repaid their loans and repatriated their gains. This form of investment, short term, benefits only the avaricious foreign investors who leave in their wake a debilitated local stock market and a weakened ringgit.

Given this experience of the country, the Prime Minister is right to urge the 23 heads of provinces from six other countries and local high officials at the Langkawi gathering to demonstrate to the rest of the world how regional cooperation and smart partnerships could succeed and benefit all parties.

He reminded them of the basic dictum of life as well of business: "Remember that in enriching the other, you enrich yourself. (Conversely) if you impoverish others, you impoverish yourself."

Clearly then while we welcome bona fide long term investors who desire to gainfully take advantage of our resources, especially that of a workforce that is already literate and thus easily trained, we have to work out new ways of ensuring that partnerships remain long lasting.

For one would have to examine their source of funds to ensure they do not exploit the local money market to make quick profits in the stock market.

We do not need these speculators. What we need is investors who want to

be involved in partnerships, smart partnerships, that will benefit all.
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