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Mahathir-turbulence

MAHATHIR CONFIDENT REGION SHALL PREVAIL

KUALA LUMPUR, Nov 10 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today he is confident that Southeast Asian countries will overcome the market turbulence triggered by what he called the "tom yam effect".

They would not only overcome the turbulence since July 2 when the Thai baht was devalued but would return to become the fastest growing region in the world, he said.

"I have not a shadow of a doubt that we shall overcome. We shall overcome the present turbulence. And we shall continue the journey to the return of history," said Dr Mahathir in his keynote speech at the Global Panel Kuala Lumpur 1997, a gathering of politicians, business representatives and academics to discuss global issues.

The two-day forum, which is also to promote international trade and cooperation, is organised jointly by the Institute of Strategic and International Studies (Isis) Malaysia, the European Research Centre and the Asian Strategy and Leadership Institute (Asli).

"As someone who has seen so much of what we in Asia have gone through in the 20th century, I have no doubt whatsoever that epitaphs on East Asia or on Southeast Asia of recent years and months are a little premature," said Dr Mahathir.

"Our rising have never been easy. The journey, for all of us, without exception, has been horrendously challenging. We have as many ups and downs for the last 50 years. We have been written off over and over again. The problems of today -- serious and difficult as they are -- paled in comparison with those of the past," said Dr Mahathir.

He also spoke of the latest forecasts of the International Monetary Fund, the World Bank, the Asian Development Bank and others which have revised downward the short-term projections for the region.

"But without exception, all, even though the worst detractors, say that East Asia will remain the fastest growing region in the world," he said.

Dr Mahathir said like Latin America, which was wracked by the "tequila effect" of the Mexican currency crisis, the Thai crisis had triggered a "tom yam effect" which had hit every globalised economy in Southeast Asia.

"And as you all now know, the failure of Southeast Asia can spread to every country in this globalised world of ours. There is no room for smugness for anyone," said Dr Mahathir.

Although the IMF had given very high marks for Malaysia's economic fundamentals, all this was not good enough to withstand the "tom yam contagion effect", said Dr Mahathir who again hit out at currency manipulators for the turbulence.

Tom yam is a hot and spicy Thai dish.

Speaking on "Asia and Europe: Forging a Partnership for the 21st Century", he outlined the challenges he foresaw would arise, including the differing emphasis on the role of government, the state, the so-called free market and the individual.

"Since business is expected to be the primary movers and builders of people empowerment rather than governments, how do we ensure that greed and abuses of corporate power will not rule the day," he said.

"Can we ensure that the free market will be governed by a sense of commitment and responsibility when in fact the movers and shakers of the market place are elected by no one and are moved largely by greed and the

lure of unlimited wealth.

"Will the Milkens and the Boesky's and the Sorosos of the future be any more considerate than the present models," said Dr Mahathir whose call for transparency in currency trading has gained global support -- the latest by the Group of 15 (G15) at its leaders summit here last week.

On global prosperity, he said it was crucial that all nations work for total eradication of absolute poverty in the 21st century.

"Why not set the 21st century as the century in which we will see poverty's end?," he said.

Dr Mahathir spoke of the frequently invisible hand of the free market that had tended to enrich the rich and the avaricious while impoverishing and heaping further misery on the poor.

"If market forces are to play a role (to generate prosperity) then they must be governed by laws, rules and regulations even as we insist on governments respecting laws, rules and regulations," he said.

The prime minister also emphasised the importance of a mind-shift from "beggar-thy-neighbour" to "prosper-thy-neighbour".

"We must begin to spend an inordinate amount of time and effort on prospering our neighbours and their neighbours. We must hold stubbornly to the rational view that our future and our prosperity depends on others doing at least as well as ourselves," he said.

Netherlands Prime Minister Wim Kok, in a video teleconferencing message to the conference moments earlier, said the "prosper-thy-neighbour" policy expounded by Dr Mahathir has boosted trade and investment between Asia and Europe. -- BERNAMA

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