

31/07/1997

PM: Investors must do own research

ullah; Ramlan Said; Sharanjit Singh; Zuraimi Abdullah; Elizabeth John INVESTORS planning to expand their interests abroad should conduct their own risk assessments on the hazards of doing business in any country, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"There are many so called risk assessment analysts out there. However, it is smarter to do one's own research instead of relying on others.

"This is because some analysts even consider doing business in Malaysia as risky ... they say this country is an unsafe place to do business," he said at a joint Press conference with heads of Governments at the conclusion of the LID '97.

Dr Mahathir was commenting on a question posed to the African heads of Governments that many investors harboured fears about the continent's potential political instability.

He said all businessmen wanting to invest in other countries knew that they would have to bear some risks.

Earlier, responding to the question, Zimbabwe President Robert Mugabe allayed such fears and said that southern Africa was now a changed place.

He said gone were the days of constant bloodshed and political turmoil which had discouraged investors from doing business in African countries.

"We admit the area was once an arena for various political conflicts and the indigenous people were constantly rising up against their colonial masters.

"However, the situation has changed now that power is back in the hands of the indigenous people," he said.

Dr Mahathir was also asked to comment on follow-up action participants should take.

The Prime Minister said it was up to participants to return to their respective countries and put into action things discussed at the dialogue.

He said as many of them were leaders in the government and private sector, the deliberations at Langkawi would be followed up.

On the lack of participants from developed countries, Dr Mahathir said they had been invited but were probably too busy to attend.

"However, there were many representatives from the private sector who participated actively in the dialogue," he said, adding that he was confident that developed nations understood the importance of smart partnerships.

Dr Mahathir said there was no specific mechanism to ensure that the deliberations were implemented, but continuous follow-ups on the needs and problems faced by countries were carried out.

On whether smart partnerships would always result in a win-win situation for all, Dr Mahathir said since industry required huge investments, many countries were not in a position to benefit without foreign involvement.

However, he cautioned against the practice of allowing foreign companies to take over full control of industries like telecommunications as this could have disastrous effects.

"You should not sell the whole lot (companies) just to make money upfront as you might regret the decision later."

Earlier, facilitators of the four sessions gave an overview of the dialogue, followed by an interactive session by heads of Governments and representatives.

The session was concluded with a speech by the Namibian President Dr Sam Nujoma on The Way Forward - Smart Partnership for Development and

Sustainability.

On the next LID, Dr Mahathir said it might not be held in Langkawi but would be incorporated in the South African International Dialogue.

He added that Jordan had requested that the 1999 Dialogue on Smart Partnership be held in that country.

(END)