

11/08/1997

Take initiative to be competitive, players told

THE Malaysian private sector and those of other Asean countries will have to take the initiative to become globally competitive as the future vision of Asean will be one of a "borderless market".

With the future elimination of trade barriers in the region, Asean private sector players will have to learn to position themselves globally in the face of an expected onslaught of global competitors in the regional market.

As such, Asean businesses should learn to effect a synergy across the region in relation to research and development, resources and technology, and to work together to develop strategic alliances.

"Asean businesses are in the stage now where they need to be globally competitive ... trade barriers are coming off and people are knocking at our door wanting to come in," said Asian Strategy and Leadership Institute president Mirzan Mahathir.

He was speaking at the Press launch and conference of the "Private Sector Salute to Asean's 30th Anniversary" at the Asean Secretariat in Jakarta, recently.

With the region getting closer to realising the Asean Free Trade Zone concept and the current global environment of market access, transparency and elimination of trade barriers, the Asean private sectors would have to strive towards being globally competitive, Mirzan explained.

"Asean businesses should not rely on governments to push them to be globally competitive. They should be doing it by themselves based on the desire to continually grow as a private sector," he told reporters later.

Being a market of 500 million consumers, Asean had caught the attention of many multinational companies and as such local industry players had a limited time to position themselves ahead of such foreign competition, cautioned Mirzan.

"Competition is everywhere and the temperature is set to rise. It is only a matter of time before each industry turns global and where huge price leaders develop," he said.

With the intimate knowledge of local markets, Asean entrepreneurs and businesses are well-poised to place themselves ahead of foreign competition.

To this end, global competitiveness should be the goal of Asean businesses.

"Everyone should recognise this goal ... we need to develop a strong reputation, brandname and presence, and market well with well established distribution channels," Mirzan said.

In view of the current weak performance of Asean currencies, he further emphasised the importance of globally competitive Asean private sectors.

"The role of the private sector is to ensure that there is a fundamental strength in businesses ... this would contribute greatly to the economic strength of Asean nations and enable currencies to be strong too.

"The private sector will have to strive harder to increase productivity and reduce costs towards being globally competitive ... if not, there will be a perceived fundamental weakness in businesses, the nation and its currency," Mirzan said.

Meanwhile at the same event, Asean Chamber of Commerce and Industry president Aburizal Bakrie said by the year 2020, Asean's Free Trade Zone would have lost most of its early advantages.

As such, he urged private sector players to exploit the concept of "free mobility of resources" within the region to develop strategic alliances and a pool of resources in research and development, science, training and technology.

"The era of a free world market will provide a challenge to Asean private sectors not only to increase their competitiveness and productivity, but also to do their own research and development," he said.

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