

15/04/1998

PM: Slowdown a result of virtual reality in business

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THE present economic downturn experienced by countries in South-East and East Asia is a result of the application of virtual reality to business, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Speaking at the opening of a three-day seminar on virtual reality in Kuala Lumpur yesterday, he said the economic turmoil was made possible by making virtual business possible and real.

"Where before we have to deal in real money, good and services, today none of these are really necessary. As a result, there seems to be no limit to the amount of business that can be done and profits made.

"Unfortunately, in the process, real money, real jobs and real business can be very badly damaged," he said, citing currency trading as a good example how virtual money can be used for trading and profits or losses made.

In currency trading, Dr Mahathir explained that a trader can borrow millions of unit of any currency without actually taking or handling the money.

"Figures are changed on the computer screen to show that the money has been borrowed. The trader then sells the currency by recording the transaction on computers and this change appears on the screens of all the computers in the trading rooms of banks and currency traders.

"Likewise, he (traders) can buy the currency without actually taking possession of it. Only the figures on the computer screen change to record the transaction," he added.

Thus, he said, it would not be surprising that in one day, US\$1 trillion are traded, which is about 20 times the trade in goods and services worldwide.

"Vast sums of money can be borrowed, sold and bought without a single coin or note becoming involved. In other words, the money traded was virtual, not real," he added.

On the contrary, Dr Mahathir said, the effect of the devaluation from this trading of virtual money is very real.

"Today, countries and regions are impoverished because of currency trading, where in some cases (devaluation) is by 400 per cent.

"Banks, businesses are bankrupted, millions of workers thrown out of jobs, high inflation results in people not being able to buy food or medicine and a host of catastrophies befall people, real people, not virtual people," he added.

Noting that there exists an array of virtual reality applications in manufacturing, finance, education and medicine, Dr Mahathir said there is also a need for new, imaginative implementations due to the rapid changes in business and industry caused by the availability of computers.

"While the new technology can bring about progress and enhance the quality of life and the wealth of our society, it can also do a lot of damage," he added.

He said the Internet, for example, is considered as the greatest instrument for direct communication of the truth, free of Government or non-Government censorship and distortions.

"But it is clear that the Internet too can be a medium for untruth, and for a variety of rather unacceptable activities. Now in the Internet we put the surat layang (poison-pen letter).

"We thought that with the Internet there will be no censorship, people

can tell the truth. But people also use the Internet to tell lies.

"Thus, the solution does not lie in technology but lies in the return to good ethics and values. It is worthwhile to ponder over this even as we rave over the wonder of virtual reality," he added.

Dr Mahathir also outlined the various benefits gained from the introduction of virtual reality technology such as in the aviation industry and medical sector.

In the aviation industry, he said through the virtual reality concept , a manufacturer can speed up the construction of an aircraft, while maintaining its quality and precision.

Praising Universiti Malaysia Sarawak (Unimas) for organising the seminar and exhibition, Dr Mahathir urged organisations and industries, including foreigners, to collaborate and form a consortium to assist the former in setting up its reality centre in Technology Park Malaysia (TPM).

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