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MAHATHIR-TELECOMMUNICATION

FOREIGN TELECOMS SHOULD BE SENSITIVE TO LOCALS, SAYS DR MAHATHIR

KUALA LUMPUR, Nov 3 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today reminded foreign telecommunication companies not to forget or disregard the nationalism, the pride and the sensitivities of the locals when they assume a prominent role in the telecommunication industry of developing countries.

He said the locals appreciated foreign participation in this field because of the enormous investment needed, the sophistication and constantly changing technologies but their willingness to sacrifice their national independence and identity cannot be unlimited.

"Even if their governments are pragmatic and wished to open up as widely as possible for the sake of keeping up with the rest of the world, the people might not be so willing," Dr Mahathir said when opening the Asean Telecom 98 exhibition, near here.

He added that if the price of opening up, would for instance, mean the locals would be losing their jobs, the people would be especially unwilling.

"We are already seeing this in some countries where restructuring involves laying off workers. It should not be allowed to happen in the telecommunication industry when countries open up," the prime minister said.

Dr Mahathir also said the world communication and information markets are presently estimated at almost US\$1 trillion (US\$1=RM3.80) and these markets are dominated by services which account for 80 percent of the global revenue.

Therefore, to sustain and maintain their position in the globalised information economy and to continue to be competitive, he added that local enterprises in developing countries must move swiftly to re-engineer their businesses, restructure their services, expand overseas, penetrate global markets and capture sales.

"Towards this end, and in view of the current financial setback, the industry players must compete hard for direct foreign investments of transnational firms that dominate large segments of the communication and multimedia industries," Dr Mahathir said.

He also said because of the growing internationalisation of the communications industry, there are immense opportunities for expanding into new markets and attracting foreign direct investments as well as broadening the range of service providers.

These opportunities would possess challenges to many developing countries especially in terms of efficiency improvement of the communications industry.

"In this regard, the government is prepared to set national priorities based on a global perspective through the establishment of a more liberal trade and investment regime to maximise the internationalisation of the communication industry.

"Hence the move by the government to allow foreign investors to increase their stakes in local communication companies, signals our intention to ensure that the communication sector will benefit from foreign direct investments besides enabling local companies to leverage for export opportunities," Dr Mahathir added.

The Asean Telecom 98 is hosted by Telekom Malaysia Bhd and organised by AMB Exhibitions Sdn Bhd. The three-day event is participated by over 200

leading telecommunication and information technology companies from 18 countries, including Malaysia. -- BERNAMA
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