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Mahathir-Apec

GO FOR SMART PARTNERSHIP APPROACH, MAHATHIR TELLS APEC

KUALA LUMPUR, June 25 (Bernama) -- The Asia Pacific Economic Cooperation (Apec), which is dedicated to economic cooperation, should adopt a smart partnership approach in developing cross border linkages so that markets of Apec will benefit all member countries, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

Speaking at the opening of the SMI SHOWCASE '98 and Apec "Cross Border Linkages", he said demand for the products of small- and medium-scale industries (SMIs) must lead to the setting up of some of these industries in less industrialised member countries.

"Capital, management and technology should cross borders in order to contribute towards the development of technology in less developed countries through SMIs.

"In the electronics, telecommunications and information technology (IT) industry, the scope for SMIs is considerable," he added.

Dr Mahathir also said that innovative new products needing venture capital must be given adequate support, not only in terms of finances but to vendor development and the judicious opening of markets.

"Here, the system of royalty payment and copyrights needs to be re-examined.

"The high royalty demanded and prolonged period of proprietorship of new inventions inhibit the growth of SMIs," the prime minister added.

He went on to say that since computer clones were permissible, other products too should be allowed for similar cloning.

In this way, benefits from research in the electronics, telecommunications and IT industry suitable for SMIs will be better spread to benefit the most number of people, he said.

Dr Mahathir said that in a smart partnership, each one must contribute something, that is, land and location, labour, capital, common technology, management and raw material, and in return, one must receive a fair share.

In the process of the transfer of technology, he said, skills must take place.

"Everyone should be enriched due to the linkage and the transfer," he said.

Within Apec, Dr Mahathir said, Malaysia would continue to work on the three pillars of cooperation already endorsed, namely trade and investment liberalisation, trade and investment facilitation, and economic and technical cooperation.

"These are virtuous words but they must be translated into virtuous deeds.

"All sides should gain from the liberalisation, facilitation and cooperation," he said, adding that if the gains were only one-sided or worse still, if they caused damage to any partner, then the deeds, at least, should be re-examined with a view to correcting its manner of implementation.

He said that if it was found that the principles were wrong, then "we should be prepared to examine or even revise them."

Dr Mahathir said that in the history of the search for the ideal way, "we have seen too many mistakes to believe that the current ideas are perfect."

He also said that the world was seeing a resurgence of the belief that big was beautiful but it must be remembered that everything big must begin

by being small.

For many, the small size will remain permanent and as giants are appearing in every field, in industry there will always be a need for the small and medium in size.

He said although today there were effectively two manufacturers of passenger aircraft in the world, namely Boeing and Airbus, both these giants depended more and more on the supply of parts from producers of child parts, components and sub-assembly and this meant that there would always be a need for small and medium industries.

"Indeed, such is the versatility and efficiency of SMIs that there has to be not just one producer of a particular part or component, but there will be a need for numerous producers producing the same items separately or something in different ways.

"When this happens, competition will be stimulated and newer methods of production for greater efficiency, precision and cost will be developed," he said.

He added that as machine tools became more precise and easier to operate new players from the less developed countries would be able to get a piece of the action.

In the competition between SMIs of the developed and developing countries of Apec, he said, each should be allowed to retain its competitive advantage.

While the low-cost labour of the less developed countries should not be regarded as an unfair advantage, the capital, technology and management know-how of developed countries must also not be regarded as unfair advantage.

"If we are not agreeable to retaining the competitive advantages of each group, then we should do away with both. It is not fair to expect one competitive advantage to be eliminated while the other is retained.

"Experience has shown that when one competitive advantage is combined with the others, the greatest cost benefit will result," he added.

The five-day SMI Showcase is organised by the Small and Medium Industries Development Cooperation (SMIDEC) and supported by Apec.

-- BERNAMA

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