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MAHATHIR SPEAKS ON CRONY CAPITALISM

By: Yong Soo Heong

HANNOVER, March 19 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir today hit out at critics who had been harping at the so-called "crony capitalism" in Southeast Asia.

Taking the privatisation exercise as a case in point, he said whether there were two thousand or three thousand bidders for the privatisation of any entity, there can only be one winner.

" No matter who becomes the winner, he is immediately labelled as a crony. Hence, crony capitalism was coined and labelled as an abuse of government authority," he said when speaking on Southeast Asian economic crisis at the Malaysian Business Forum, here.

The fact that many governments of developed countries promoted certain companies through diplomatic means or otherwise that influenced the decision-making on contracts and supplies by the governments of developing nations was not regarded as crony capitalism, he said.

Referring to the purchase of arms, for example, he said the governments of the arms suppliers often provide loans to countries in order to influence their decisions and enable them to buy what they really cannot afford.

But these for some reason are not considered crony capitalism, added Dr Mahathir. -- BERNAMA

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