

04/11/1998

PM urges foreign firms to respect local sensitivities

Kamarul Yunus

PRIME Minister Datuk Seri Dr Mahathir Mohamad says Malaysia is prepared to open up its communications industry wider to international participation but the foreign companies must not disregard Malaysians' sensitivities.

Opening the Asean Telecom '98 conference and exhibition in Kuala Lumpur yesterday, he said, although they now assume a prominent role in the telecommunications industry of developing countries foreign companies must not forget or disregard the nationalism, pride and sensitivities of the locals.

Dr Mahathir said the locals appreciate foreign participation but their willingness to sacrifice national independence and identity cannot be unlimited.

For instance, he said, the locals will be especially unwilling if the price is to be paid by them, such as through losing their jobs.

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

Noting that the world communications and information markets are currently estimated at US\$1 trillion (US\$1 = RM3.80), Dr Mahathir, who is also First Finance Minister, said these markets are dominated by services which account for 80 per cent of the global revenue.

Therefore, he said, to sustain and maintain their position in the globalised information economy and to continue to be competitive, local enterprises in developing countries, which are still largely technology-based, must move swiftly to re-engineer their businesses.

"They (local companies) should restructure their services, expand overseas, penetrate global markets and capture sales," he added.

Towards this end, and in view of the current financial setback, Dr Mahathir said, the industry players must compete for foreign direct investments (FDIs) of transnational firms.

Apart from the economic turmoil, Dr Mahathir also identified various challenges that the telecommunications industry has to face as well as positively respond to in order to maintain the pace and spread of development of the telecommunications industry commensurate with the demands of developing countries.

He 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, he said, would possess challenges to many developing countries especially in terms of efficiency improvement of the communications industry.

In this regard, Dr Mahathir said, 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 communications industry.

Hence, he said, the government's move to allow foreign investors to increase their stakes in local telecommunications companies, signals its intention to ensure that the communications sector will benefit from FDIs, besides enabling local companies to leverage for export opportunities.

Hosted by Telekom Malaysia Bhd and organised by AMB Exhibitions Sdn Bhd, the event has attracted participation of more than 200 companies from 21

countries.

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