16/11/1998

Poor nations not ready for globalisation (HL)

Baidura Ahmad

KUALA LUMPUR, Sun. - Malaysia welcomes globalisation but cautioned against rushing towards it, for fear it would be abused to cause worldwide poverty and disparities between the rich and poor.

"We should not reject globalisation. It has to come to this shrinking world. But the big and the powerful can be magnanimous and accord the small and the weak time and latitude to prepare and make adjustments," Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

Opening the Apec Business Summit at the Putra World Trade Centre, he said globalisation could bring about a better world, "if we are not fanatical about it. Not everything that is done in the name of globalisation will give good results.

"We should always be on the lookout for adverse consequences and be prepared to take corrective actions or even to reverse certain globalisation trends in order to ensure these adverse consequences will not befall us."

Taking the example of the 21-member economies of Apec with their diverse economic strength, he said: "The countries of Apec are not equally developed. Any competition among them will not be fair competition even if the playing fields are level."

He also elaborated on Malaysia's currency exchange rate controls introduced recently to insulate the country from one of the ill-effects of free markets: currency trading.

Calling for understanding from the world, most of whom have called for Malaysia to reverse the decision, Dr Mahathir said: "(We) are of the view that there is still anarchy in the international market. If we go back there is no guarantee that we would not be attacked again."

Saying Malaysia's economy is too small to affect the world's economy adversely or otherwise, he said: "Hence the furore over our decision to stop the ringgit from being traded by the currency traders is quite unreasonable.

"We have not hurt anyone except the currency traders. Even then, only minimally because the ringgit is a small fragment of the huge trillion dollar trading that the currency traders are involved in."

Addressing perhaps the largest gathering of Asia-Pacific corporate leaders in Malaysia, Dr Mahathir said other than this, all business transactions were unaffected by the action taken by the Government.

About 1,500 senior business executives are attending the three-day summit including Taiwan's Chinatrust Commercial Bank chairman Dr Jeffrey Khoo, who is the national policy advisor to Taiwan President Lee Teng-hiu, and General Motors Corporation chairman, chief executive officer and president John F. Smith Jr.

The summit, held concurrently with the Apec Economics Leaders Meeting, enables world leaders and businessmen to discuss issues, particularly the role of the private sector in Apec.

Dr Mahathir said: "I am emphasising the smallness of the Malaysian market simply because many great economic and financial minds seem to think we have done something that can damage the process of liberalisation and globalisation of the world financial system. We cannot. We are too small. Why not leave Malaysia alone with its idiosyncrasies. If we are wrong then we will pay the price. It would serve us right. But the world would have learnt something and be better off for it."

While acknowledging that the world was beginning to realise the adverse effect of the currency traders' activities and studying ways to solve it, Dr Mahathir said Malaysia could not afford to wait "for the ponderous movements of the great powers," because by the time they decide, "it would have been curtains for Malaysia".

Also present at the opening of the business summit was Peruvian President Alberto Fujimori, who was the first foreign Apec leader to arrive for the summit beginning Tuesday.

Among the other CEOs present at the ceremony were Apec Business Advisory Council chairman Tan Sri Tajudin Ramli, who is also Malaysia Airlines chairman; Hewlett Packard Asia Pacific vice-president Richard Warmington; and National Insurance Company of Brunei chief executive officer Timothy Ong.

* MORE REPORTS ON P2, 3, 4, 21, 22 & 23

(END)