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Respect local sensitivities, PM advises foreign firms

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KUALA LUMPUR, Tues. - Although foreign companies could now play a prominent role in the telecommunications sector of developing countries, they must not disregard the nationalism, pride and sensitivities of their hosts.

Prime Minister Datuk Seri Dr Mahathir Mohamad said today although the host governments might accept them, there was a danger that the people might not if these investors took for granted their sensitivities.

He said locals appreciated the need for foreign participation particularly in the telecommunications field because of the enormous investments needed, the sophistication and constantly changing technologies.

"Without foreign investments and technology, it is possible for them to be disconnected from the worldwide international system.

"But their willingness to sacrifice their national independence and identity cannot be unlimited," he said.

The Prime Minister was speaking when opening the Asean Telecom 98 exhibition at the Mines Exhibition Centre in Seri Kembangan.

"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," he said.

He said 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 telecommunications industry when countries open up," the Prime Minister said.

Dr Mahathir also said the world communications and information markets were at present estimated at almost US\$1 trillion (RM3.8 trillion) and these markets were 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 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 communications and multimedia industries," he said.

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

These opportunities would pose 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 communications industry.

"Hence the move by the Government to allow foreign investors to increase

their stakes in local communications companies, signals our intention to ensure that the communications sector will benefit from foreign direct investments besides enabling local companies to leverage for export opportunities," he said.

The Asean Telecom 98 is hosted by Telekom Malaysia Bhd and organised by AMB Exhibitions Sdn Bhd. It is held simultaneously with a forum on Y2K solutions.

Over 200 leading telecommunications and information technology companies from 18 countries, including Malaysia, are participating in the three-day event.

Also present at the opening ceremony were Minister of Energy, Communications and Multimedia Datuk Leo Moggie; Information Minister Datuk Seri Mohamed Rahmat; chairman of Telekom Malaysia Bhd Datuk Ali Hassan, and chairman of AMB Exhibitions Datuk Dr Ahmad Mustaffa Babjee.

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