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M'SIA TO TAKE CAUTIOUS STANCE ON DUTY FREE E-COMMERCE, SAYS PM

CYBERJAYA, Feb 12 (Bernama) -- Malaysia would have to carefully examine the effect of making trading of goods and services through the internet duty free, Prime Minister Datuk Seri Dr Mahathir Mohamad said here today.

"We need to examine this very carefully because any decision we make is forever," he told a press conference at the end of the first day of the Second International Advisory Panel (IAP) meeting here today.

Dr Mahathir was commenting on the US's proposal that members of the World Trade Organisation (WTO) adopt zero duty stance for goods and services traded via electronic commerce.

"We are not in the same class as the US, so we cannot forego any opportunities to make money for the country," he said.

While Malaysia wants to be as open as possible, it should take great care in deciding on the issue as the government must also protect national interest, he said.

On the implementation of intellectual property rights in the Multimedia Super Corridor's Cyberlaws, he said it was an important factor that could ensure the success of the MSC project.

"Otherwise we cannot attract a lot of these companies,...it is also in the interest of our own people because unless we protect the intellectual property, a lot of people in the country will lose their money."

In addition, it would help ensure that the interest of foreign companies in the country is duly protected, Dr Mahathir said.

He added that the government was also considering providing safety net for companies on the edge of bankruptcy.

He noted that a considerable number of companies in the country had to fold up not because of their inefficiencies but because of the current financial crisis in the region.

"If any of the MSC companies fail, we will provide some form of safety net for them," he said.

Dr Mahathir was also asked whether Malaysia will follow Indonesia's step in planning to adopt a currency board system to maintain the value of its currency, the rupiah.

"I don't see why (we should), we don't have problem with our currency... there was of course devaluation but not in such an extreme way but in comparison with other Asean currencies I must say that we have done well."

One of the functions of the board is to fix or peg a currency to another currency at a set rate. -- BERNAMA

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