

KEY QUALITIES

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PM spells out vital traits Asia needs to recover from crisis

KUALA LUMPUR: Datuk Seri Dr Mahathir Mohamad has listed six characteristics required by Asia to recover from the present economic crisis.

The first, he said, was recovery efforts must have "comprehensive perspective" without neglecting political stability, social tranquility and cohesion.

Writing in his inaugural newspaper column in the Japanese newspaper *Mainichi Shimbun* yesterday, he said for several hundred years, Asia was a continent without a future and there were many now who believed the return of history.

"The sun has set. The dragons have been slain. The tigers have become extinct. We are all finished. They could be right.

"They will without doubt be proven right if we in Asia cannot summon the enormous will and the profound creativity to reform, to rebuild, to recover and to once again be fully revitalised," he said in the column, *Dr Mahathir's World Analysis*, which is published at the start of each month.

The Prime Minister said that there was now "too much" advice from financial experts who did not seem to realise that there was a world that went beyond money and finance.

He said the experts did not take the broader picture into their reckoning, which included the wider political and social ramifications.

"If we neglect political stability, social tranquility and cohesion, we do so only at our own grave peril," Dr Mahathir said.

The second characteristic, he said, was to ensure a clear and productive order of priorities, in line with strategic thinking.

"Clearly, doing everything possible to ensure that foreign bankers are paid does not automatically seem to be a productive or most sensible top-most priority, except in exceptional circumstances."

In this respect, he noted that experts had repeatedly warned of a "moral hazard" caused by saving or bailing out local banks, they (the experts) sang a different tune if foreign banks were to be fully paid (of the loans given).

"This (to the experts) is obviously not a bailout. The question of moral hazard curiously is not something to be too unduly worried about," he said.

Dr Mahathir also stressed on the need for focus, given the limited resources of a country.

There was a need, he said, to concentrate the resources on achieving critical objectives as a "strategic plan" that focused on a hundred

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objectives was anything but strategic planning.

"They (the objectives) are the keys that will unlock a hundred doors. We must concentrate our limited time and resources on finding and turning these few keys."

The fourth character, he said, was to maintain a balance between the demands of social development and welfare, political stability and cohesion and economic and financial objectives.

Apart from these factors, Dr Mahathir said there was also a need to

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strike a balance especially between short- and long-term imperatives.

As for the fifth characteristic, he said countries in crisis should not be blinkered but instead resolved to be more courageous, creative and pragmatic.

Finally, Dr Mahathir also said there must be a total national effort to ensure rapid recovery and sustained growth.

"The entire nation must be united, mobilised and working as one behind a single purpose," he said.

"This is where the societies of East Asia have a comparative advantage."

He said since Malaysia went against economic orthodoxy and introduced selective controls on Sept 1, the country had retreated from the brink of utter disaster.

"We have been able to reduce interest rates, so now our companies can start breathing and investing again."

"We have ensured liquidity so that the engine of growth can now start purring again."

Dr Mahathir said since Sept 1, the Kuala Lumpur Stock Exchange had been the top performer in the world, more than doubling in value.

However, he was quick to say that it was too early to say that Malaysia or Asia was on the road to recovery, except that both were still on the mend.

He said if Asia failed to get all its people, corporations, organisations and institutions to respond "adequately and heroically" to the present crisis, it would go further downhill.

"It will be the end of our hopes and aspirations, the end of East Asia's rush to keep our rendezvous with our rightful place in the family of nations," he wrote.