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GLOBALISATION-BREAKS

GLOBALISATION BREAKS DOWN BARRIERS TOWARDS ECONOMIC ADVANCEMENTS

KUALA LUMPUR, Oct 4 (Bernama) -- Globalisation is feared by many as it opens the gate for fierce competition but it can also break down barriers towards enormous economic advancements, said the president of US-based Global Management Associates, Harry G. Harris.

At a press conference after a luncheon talk on "The World Economy and Managerial Leadership" here today, he said certain quarters do not believe in and disapprove of the globalisation process as they fear they will be deprived of a bigger slice of the cake and cannot control the overall market to their benefit.

These individuals or corporations are self centred and selfish, he said, adding that globalisation brings growth to an economy, not only in dollars and cents but also technological advancements and human resource development in terms of more jobs, training and social benefits.

In the US, he added, globalisation in its economy brought in large investments and created a situation where growth was so good, skilled labour had to be imported to meet with demand.

The Multimedia Super Corridor (MSC), a brainchild of Prime Minister Datuk Seri Dr Mahathir Mohamad, replicates the success of Silicon Valley in the US, he said.

Similarly, this had brought huge foreign investments into the country from Microsoft, Lotus and Nokia, he added.

No doubt, there will be minimal adverse impact from the competition that globalisation brings but this is where the government's role come into play in managing the situation, he said.

Among others, it includes the management of displaced workers from stalled companies that lose out to the competition by providing them with new job skills through training and placing them in a new working field, he explained.

In the meantime, the government should always maintain political stability, environment, legislation, transparency and ethics in order to always give investors and potential investors an inviting environment, Harris said.

When asked whether the concept of free market in the trading of currencies and other capital markets are desired in globalisation, he said the value of a country's currency afloat in the currency market should represent the perception of investors in the worth of that country.

He does not agree to arbitration which involves trading in the currency of a country by way of speculation and for quick profits.

Malaysia had taken the appropriate measures, he said, with the implementation of a currency peg that fixed the ringgit at RM3.80 to the US dollar along with capital controls.

Harris added that these measures had effectively managed and protected the country's economy.

A 4.1 percent GDP growth in the second quarter, higher export volume and foreign exchange reserves of up to US\$30 billion to date from US\$10 billion prior to the controls are a good sign, he said. -- BERNAMA

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