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MAHATHIR-SMIS

GO FOR KNOWLEDGE INTENSIVE BUSINESS, SAYS DR MAHATHIR

KUALA LUMPUR, Oct 18 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that small and medium-scale industries (SMIs) should consider going into more knowledge intensive business activities where the start up cost is low.

Malaysia's economy, in keeping with the trend, is gradually transforming itself into a knowledge-based economy (K-economy) where brain power rather than brawn will be the determining competitive advantage, he said.

He said that in a K-economy, where the main activities are focussed on high value added and knowledge-based activities such as products and process designing, products/process development and improvement, innovation and other research and development (R&D) activities, size and scale of operations did not matter as much as before.

Therefore, both large and small companies stand almost equal chance of achieving success, Dr Mahathir said when opening the SMIDEC annual SMI showcase '99 in Seri Kembangan, near here.

He said that it has been proven by many success stories of breakthrough in technology, software design and development made by companies or entrepreneurs who started very humbly and very small.

Dr Mahathir said that SMIs have been recognised as a vehicle for developing Malaysian-owned companies and Malaysian-owned brand names and designs.

"So, SMIs must be prepared to change, change in the mindset and change in the way of doing business as well as the manner with which business is conducted," he said.

"If the success of doing any business today is determined by one's flexibility, adaptability, responsiveness to changing market requirements, then doing business in the next century is about making changes in 'real time' made possible with the application of information and communication technology (ICT)," he added.

With the extensive application of ICT by companies, the outreach of Malaysian-made products and services could be extended to the global market.

The Prime Minister also said that SMIs must rise up to face challenges and changes in the future.

"They must shift their focus from being production oriented to market oriented, should try to acquire new technology and upgrade skills in co-competency and graduate from producing lower end components and parts to become global supplier of high value added intermediate products," Dr Mahathir said.

He also said that the country has come out of "the wood" after undergoing an economic turmoil to unprecedented degree. -- BERNAMA

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