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WEF-MAHATHIR

MAHATHIR TO TAKE GLOBAL SPOTLIGHT ON THURSDAY

By: Yong Soo Heong

KUALA LUMPUR, Jan 25 (Bernama) -- Come Thursday, Datuk Seri Dr Mahathir Mohamad will again take the global spotlight when he speaks at the World Economic Forum (WEF) in Davos, Switzerland.

The high-powered engagement in the Swiss ski resort town will kick off the prime minister's first overseas trip for this year.

Dr Mahathir, who is noted for his far-reaching comments on many international issues, has been invited to address the annual meeting of statesmen, business leaders and academics aimed at shaping the global agenda for the next millennium.

Observers believe that the invitation to Dr Mahathir to address a highly eminent gathering is another feather in his cap against the backdrop of many sharp criticisms directed at the government's handling of the regional economic crisis sometime back.

They feel that the invitation reflects a number of key issues. First, it demonstrates the continued high regard for Dr Mahathir's stature among world leaders and that he can contribute towards a more equitable world, an issue which he has been expounding.

Second, it is felt that many of Malaysia's critics have come to terms with what the country has done admirably despite the painstaking odds.

Of late, investor and consumer confidence has improved while the country's foreign reserves have been built up, thanks to the strong export receipts.

For instance, Stephen Taran, managing director and head of sovereign risk of Salomon Smith Barney, the government's financial adviser, said Malaysia's economic recovery is right on track this year as well as its long-term Vision 2020 development programme.

He said stability has been locked in because of various policy changes implemented by the government late last year.

The WEF, which was established some 30 years ago, has been the driving force in identifying new trends in the economic, political, social and cultural domains. The body plays an important role in shaping strategies and actions for corporations and governments to integrate changes and maximise on their potential.

The theme for this year's WEF -- Responsible globality: managing the impact of globalisation -- appears to be tailor-made for Dr Mahathir. The subject is close to the prime minister's heart.

Dr Mahathir has been eloquently impressing upon the need to have rules to manage the forces of globalisation. Recently the prime minister said although Malaysia is ready to open up its borders, it is not ready to handle the problems that will come with opening borders.

Malaysia already had a foretaste of globalisation when capital was drawn out of the country when the ringgit's value was driven down by rogue speculators.

Dr Mahathir, in criticising the destructive forces of sudden capital flows, also said Malaysia did not anticipate such movements and the country was therefore unprepared to deal with these abuses.

Fortunately, he said Malaysia had been able to contain such turbulence over the past four months and this was mainly achieved through the introduction of many economic programmes, including selective exchange controls, a move which had initially drawn flak from many Western commentators.

However, the recent Brazilian meltdown shows that there is merit in what Malaysia had done and what Dr Mahathir has been saying about the inadequacies of the so-called reforms proposed by the International Monetary Fund (IMF).

Dr Mahathir, who is of the opinion that globalisation can be good if it is regulated just as capital flows can be good if regulated, is expected to tell his audience on what exactly Malaysia had done.

Gail G. Billinton, head of the Asia desk of Economic Intelligence Review, a weekly publication of a Washington-based think tank, said the Malaysian model is being studied by a number of East European countries.

"What Malaysia has done is a refreshing model for other countries," she said.

Davos, besides the home of the WEF annual meeting, is also a well-known medical centre for the treatment of lung disorders.

Observers are hoping that this year's meeting will breathe fresh air into shaping a more equitable world. -- BERNAMA

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