

Build up capacity to face competition,' says DPM ^{T 12/4 2000} 5

MALAYSIA should build up its capacity to face increased competition in the era of globalisation and liberalisation, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi says.

He said Malaysia must be prepared to face stiffer competition when the domestic market is liberalised and opened up to foreign companies.

"If we are strong we can overcome the competition. Our companies must look at mergers to become stronger entities, and develop their competitive edge. Without these we will not stand a chance," he said.

Abdullah was speaking at a press conference after delivering Prime Minister

Datuk Seri Dr Mahathir Mohamad's keynote address at the Asean Business Summit 2000 in Kuala Lumpur yesterday.

The two-day summit is organised by the National Chamber of Commerce and Industry Malaysia (NCCIM).

NCCIM president Tan Sri Taiudin Ramli, who was also present at the press conference, said capacity building can take many forms.

"There is capacity building in terms of physical infrastructure, and in terms of guidelines and laws, or the rules of the game. We also have to look at human resources and acquiring the necessary

skills," he said.

Tajudin said the fate of communities that do not have the sufficient skills and knowledge should be taken into consideration.

He said the Asean Business Summit 2000 seeks to discuss how well prepared the region is to face globalisation. "We must prepare the framework and discuss how to participate in the whole process. We look at it sector by sector."

While the manufacturing sector in general does not face many problems with stiffer competition, Tajudin said, the same is not true with the services sector that includes telecommunications, multimedia and air transport.

"The existing framework does not give much assurance to the Asean business community," said Tajudin, who is also president of the Asean Chamber of Commerce and Industry.

The summit will discuss, among other things, sustaining Asean's recovery and enhancing integration, Asean's relevance, foreign investors' perspectives of the group, and enhancing growth in East Asia through closer collaboration.

Participants include businessmen and policy makers from Asean, and their counterparts from Closer Economic Relations countries Australia and New Zealand, as well as Russia.