

# 'Asean must focus on globalisation, liberalisation and mega-mergers'

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KUALA LUMPUR, Tues. — Asean's way forward should be governed by the dictates of rationality, the imperative of freedom and independence and the demands of ethics, morality and responsibility, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the grouping's way forward in achieving its goals in the short-, medium- and long-term must be focused on the three key issues of globalisation, liberalisation and mega-mergers.

Dr Mahathir said this in his speech at the Asean Business Summit 2000 themed **Asia 2000: Moving Forward**. His speech was read by Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi.

Dr Mahathir is in Havana, Cuba, attending the South Summit of the Group of 77 (G-77).

Dr Mahathir said that while there was a lot that was good about globalisation as it provided many opportunities, it should be ensured that opportunities and benefits accrued to Asean were as substantial as to other groupings.

"We had thought of globalisation in terms of Foreign Direct Investment, 'of inflows of capital technology and market access.

"But our recent traumatic experience has shown that globalisation can also mean massive outflows of capital in order to impoverish and weaken us and to prepare us for, foreign takeovers of our businesses, and possibly our countries too," Dr Mahathir said.

He said globalisation was good if

Asean had a say in its interpretation and some control of financial and other capital across all borders.

"May I then call upon all of us to say this about globalisation before we say 'yes' to it. We should say no globalisation without benefit, no globalisation without self-determination and no globalisation without corporate responsibility or conscience," Dr Mahathir said.

He said the principle behind saying "no" to globalisation without benefit was plain rationale while that behind saying "no" to globalisation without self-determination was the freedom and independence imperative.

"We did not fight to be free of the old imperialism in order to have the privilege to bow before the new imperialism," Dr Mahathir said.

The Prime Minister said no human being could accept the doctrine that businessmen could do whatever they liked and that Governments should allow them to do so.

"And if bones are crushed and lives are ruined, it's OK. It is too bad. It's simply the market.

"It is that wonderful abstraction, 'the market', the god that can do no wrong, that can be expected to perform better and to produce better results than anything that individual human beings either in business or public life can do," Dr Mahathir said.

He said since he became Prime Minister, the country had seen the fastest rate of marketisation of its economy in its history and this was done not out of ideological commitment or theological fate but

because it yielded results.

On liberalisation, Dr Mahathir said Asean must distinguish between domestic liberalisation and cross liberalisation, between national market liberalisation and international market liberalisation.

"For my country, my Government and I remain committed to much greater national market liberalisation. This must, of course, be subservient to the rationality imperative, the freedom and independence imperative and the ethics, morality and responsibility imperative," he said.

Dr Mahathir cautioned against a headlong rush to national market liberalisation oblivious of the need to ensure the proper regulatory and transparency framework, the issues of sequencing and readiness.

"I also believe that in Malaysia, as in all countries, we cannot afford to rush headlong without considering the issues of equity and distribution, balance and fairness."

On the issue of mega-mergers, he said the global media lauded it as if it were the next best thing to "motherhood and apple pie".

Dr Mahathir said global mega-mergers may not be good for Asean although they may be good for others.

"The biggest conglomerates in Asean are as ants in comparison with these elephants. Is it not interesting that despite the fact that every market guru and every market theologian can easily refer to the evils of oligopoly and monopoly in the free market bible, the free market priesthood is silent and even enthusiastic. Why is this so?"