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Dr M: Governments not obsolete

KUALA LUMPUR, Wed. - There is a need to rethink the idea that Governments are now obsolete as market forces have taken over, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

Speaking at a panel discussion at the second Global Knowledge conference, he said it was only Governments which could think about helping people. This cannot be left to market forces which is primarily driven by profits.

He said Malaysia had had a taste of market forces when it lost RM250 billion during the economic crisis - RM200 billion through the currency depreciation and RM50 billion in market capitalisation.

"Governments have to step in to ensure that the poor are not exploited," he said, adding that Government institutions like the World Bank and International Monetary Fund could do a lot if they were not too influenced by big companies.

He said it was frightening to see how gigantic some companies had become as they would eventually kill smaller businesses.

Citing of Amazon.com as an example, he said it was often cheaper to buy from it because the Government would not tax small purchases by individuals.

However, it would eventually drive book distributors out of business because these importers would have to pay tax and charge more for the books.

"Who will stop them? Not the companies, some say greed is great," he said.

He was replying to a question on how information technology could help countries like East Timor.

Another viewpoint put forward was that the generosity of people should not be under-estimated and IT can be used to harness this goodwill.

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