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MAHATHIR-GLOBALISATION

DR M: NEED TO PROTECT OUR BORDERS FROM THREATS OF GLOBALISATION

KUALA LUMPUR, May 9 (Bernama) -- Malaysia needs to protect her borders from the threatening effects of globalisation, including competition from giant foreign companies, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"We need to safeguard our borders for as long as possible," he said in the TV3 programme, "Questions and Answers".

"In the event of a borderless world brought about under the globalisation concept, this means that there will be no policies or laws to protect people behind those borders, in that others, who are stronger than us, can come in," he added.

Citing an example, he said the consolidation of foreign banks had transformed them into banking giants which could compete unfairly against local banks.

"They can come and do business with us and they can provide loans. If they were to provide loans with very low interest rates, they will lose (money) but they will lose here and profit in other places in the world and so they don't mind losing a little in Malaysia," he said.

"But our local banks do not have (much) activity in other countries. If our banks decide to fight and reduce interest rates, our banks will become bankrupt. When they become bankrupt, they will be swallowed by foreign banks. And we will then lose our banks," said the prime minister.

In the automotive industry, Dr Mahathir said the same could happen when big carmakers produced cars which were cheaper in price.

"We are now able to sell Protons and Kancils because they are protected by taxes which made foreign makes relative higher priced (in Malaysia). If they (foreign makes) are able to enter our local market without taxes, their prices would be much lower and we would be forced to close shop...no one will buy a Proton."

Dr Mahathir also said the government's efforts to protect the country from external threats also involved education and training for locals who have the aptitude towards a knowledge-based economy (k-economy).

In this way, the people would be able to better understand new business opportunities, particularly the dotcom companies that were popular currently, he said.

Dr Mahathir said other efforts in preparing for the globalisation onslaught, included merging local companies into bigger ones to make them stronger to compete with foreign firms.

"We also need to have specific laws which would, while allowing foreigners into the country, also protect the interests of locals in a way that they are capable of competing with foreigners," he added.

The prime minister said new ideas from the West like globalisation, liberalisation, and k-economy could not be fully subscribed to as they had both advantages and disadvantages.

"The first step we have taken is to find out whether globalisation is good for us and as usual we found it benefitting developed countries (more)," Dr Mahathir said.

He did not deny that globalisation had benefitted Malaysia "but not everything has benefitted us."

"We have to know what is the real challenge from it, know which is good and which is bad. At the same time, we need to master the knowledge arising from it," he said.

With that, locals would have the expertise to compete with foreigners in a fairer way, he said.

In view of this, Dr Mahathir said the government was making every effort to promote knowledge from the k-economy among Malays and would try to teach them so that they understand how to use the new technology and new thinking to enable them to progress -- BERNAMA

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