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Dr Mahathir: Competitive edge in IT crucial

KUALA LUMPUR, Mon. - Datuk Seri Dr Mahathir Mohamad said tonight Malaysia must possess a competitive edge in information technology to be successful in trade and industry.

The Prime Minister said a comparative advantage based on input or natural resources alone was not enough for industrial and commercial success.

What is more important, he said, was the ability and efficiency of a country in mobilising input and resources from various sources.

He was speaking at the Industry Excellence Award presentation ceremony at the Putra World Trade Centre.

He said other important aspects that needed attention to ensure the success of an organisation were suitability and capability of manpower.

Each organisation had to ensure its workforce was knowledgeable, skilled, efficient and dedicated in carrying out responsibilities, he said.

"Opportunities should also be given to them to upgrade their knowledge and skills as well as equip themselves with new knowledge required for the organisation to achieve excellence," he said.

Among the new skills and expertise that would be required by the industries were in product design and processes, development and management of IT, and market and strategic planning.

Dr Mahathir said there should be a continuous process to improve oneself and achieve excellence.

The "wait and see" attitude could no longer be maintained if one wanted to avoid being left behind in IT.

"If companies are only looking at foreign companies participating in e-commerce, which is expected to grow tremendously, the companies themselves will lose their clients and the market.

"We need to be ready to face the risk and together participate in a new competitive arena," he said.

As for research and development, he said it was an important element for any industry.

"Compared with developed countries, Malaysia's expenditure in the area of R&D is very low at only 0.3 per cent of the gross domestic product.

"Local companies are lagging far behind in their efforts to upgrade R&D and are still too dependent on foreign technology transfer."

He said it was the responsibility of all manufacturing companies to focus on the advancement of R&D so that they could maintain and enhance their competitiveness.

On making inroads into markets, Dr Mahathir said the majority of local manufacturers were focused on manufacturing on a contract basis.

He said this approach did not guarantee the sustainability and expansion of a market in the long term, but would create dependence on the main manufacturer who could end the contract any time.

Therefore, the time had come for local manufacturers to devise strategies to produce and market their own products, he said.

To convince potential consumers of Malaysian-made products, manufacturers should aim for an international certification for their products and look at efforts to promote locally-made products as a long-term investment.

They should be prepared to set aside resources, ideas and energy

together with public bodies and private organisations in the formulation and implementation of strategies to produce Malaysian-brand products which were accepted internationally, he said.