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Mahathir-Europe

EFFECTS OF GLOBALISATION AND INTERNET SHOULD BE STUDIED

KUALA LUMPUR, May 30 (Bernama) -- Effects of globalisation and the Internet must be closely studied as they affect the way business is conducted between Southeast Asia and Europe, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said that as a result, a new phase is developing in the relationship between European and Southeast Asian businessmen.

But even more reshaping of that relationship was on the cards with the advent of the information age, the increasing sophistication of communication technology and the new ideas about the inter-dependence of nations in a boarderless world, he said in his keynote address at the Europe-Asia Business Summit 2000 here.

"We talk glibly of its world without borders of a globalised world resulting in the ease of communication. It seems that strategic location is now quite meaningless in so far as doing business internationally or even nationally is concerned," he said.

"But actually it is still relevant, we are still people, human beings, we have our cultures, our loyalties and our very human feelings.

"When doing business we cannot ignore these factors," he told the participants of the "Asia-Europe 2000 summit themed Reshaping European-South East Asian Business Ties: New Conditions, Shapers, Trends and Opportunities."

Turning to the Internet, the Prime Minister said: "Perhaps we will be more efficient and goods and services will be cheaper. Perhaps poor people will now be able to buy what they could not afford before. But what kind of a human society, will this be?

"Perhaps what I am saying reflects the alarmist in me. But whether I am right or wrong we need to really examine these things called globalisation and the fantastic world of the Internet," said Dr Mahathir, who is an ardent proponent of information technology and multimedia in the country.

Saying that globalisation and the Internet will affect the way business is conducted between Southeast Asia and Europe, he added: "We want to be efficient but we do want to see the faces and talk to the people we do business with."

Information technology, multimedia and the Internet have opened up many new opportunities for Europeans to do business in Southeast Asia and to a lesser degree for Southeast Asia in Europe, he said.

After citing the adverse effects internet businesses have on other traditional businesses, Dr Mahathir said, "Yet internet-based business, which takes into consideration the interest of everyone, can bring about faster economic development to developing countries."

"We should sit down and think about the ways to do this. Our European friends must appreciate our fears and help formulate systems of doing internet dot.com business which will result in mutual benefit," he said.

They must be prepared to work with Southeast Asians to ensure that benefits are fairly shared and that a win-win result becomes possible, he said.

Dr Mahathir said one of the ways was for European companies advanced in technology to become strategic partners of the Southeast Asians.

With a population of 500 million, he said the region has a great need for everything and that should suggest a good potential market.

"We believe in what we call smart partnerships. Poor people make poor

customers but when you enrich them they can turn into good customers," he told the international meeting which comprised some 100 businessmen including chief executive officers.

He said the need for technology in the region presented a vast opportunity for the European partners but transfer of technology costs a lot even if there was a willingness to do so.

"The rich have succeeded in making copying or reverse engineering a crime. It is not that we are prone to criminal acts but when the price difference is too great, it is difficult to stop people from breaching copyright laws," he said.

He said technologies should not cost too much and European partners should be prepared to transfer technology at nominal cost especially when they are joint venture partners.

Reminding the audience that technology is not static, he said, "with a shelf-life of only a few months, what you transfer today will no longer be state-of-the-art by the time products are marketed. The partner contributing the technology will still retain their technological advantage."

He also said that transfer pricing was another problem faced by host countries in Southeast Asia and elsewhere.

"We know it is happening. We know we are losing a lot of revenue. But we are always under threat. If we try to collect taxes then foreign investors will go elsewhere.

"Southeast Asian countries are competing with each other for foreign investments and we have to continuously think of foregoing our rights and revenues in order to beat our friendly competitors. The result is very minimal for us," he said.-- BERNAMA

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