

17 OCT 2000

Mahathir-K-Economy

EMBRACE E-COMMERCE BUT DON'T EXPECT TOO MUCH, SAYS DR MAHATHIR

PETALING JAYA, Oct 17 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said while Malaysians must embrace E-commerce and the Knowledge-economy, they must not place too high an expectation from this new business.

He said there was a lot of money to be made from the right time of application of data and knowledge, the right software and the right ideas.

"Whether this is good or bad, is difficult to determine now. We have not had enough experience of the real workings of e-commerce and the knowledge-economy," he said.

Addressing a K-economy conference organised by the MCA English-speaking membership bureau here today, Dr Mahathir said it was entirely possible for e-companies to grow rapidly and to yield high returns for the innovators and entrepreneurs.

However, he cautioned that there would be failures and that this should not deter the realists bent on exploiting new ways of doing business.

"The enthusiasm about the K-economy is infectious. Many see unlimited growth and unprecedented new wealth being generated," he said in his key-note address.

Dr Mahathir said such businessmen saw the dotcom and other Internet-based companies as money spinners and went into a frenzy of investment, putting money in anything at all that was even distinctly related to E-commerce.

Dr Mahathir spoke at length about the ups and downs of K-economy and E-commerce noting that shares of dotcom companies sky-rocketed until they bore no relations whatsoever to the actual business being done.

He said such companies may be based on knowledge but they still have to deliver goods and services at prices which would give them reasonable returns.

"The bubble grew and grew and as expected it burst. A lot of people got hurt. A lot of money was lost. And suddenly dotcom companies became liabilities as their failure to make money became general knowledge," he said.

However this did not mean that dotcom companies were incapable of making profit or of growing, he said.

Dr Mahathir said the most attractive thing about E-commerce was how easily one can become global and that borders did not restrict business the way they did the old businesses, and market penetration was much easier.

Dr Mahathir said many who ventured into E-business were young people, graduates in their 20s and even university drop-outs.

"The knowledge economy is about information and knowledge leading to better products and services. Even growing sawi can be a K-economy activity if the sawi growers use the net to get information on how best to grow sawi or on how to link supply and demand more efficiently," Dr Mahathir said.

The prime minister challenged every MCA member and others present at today's conference to start looking at everything from the perspective of cyber space.

"Today's seminar will not result in knowledge unless it produces a change in your behaviour. Information only becomes knowledge when it is so much a part of the way you improve and enhance the way you do things," he said.

Dr Mahathir added that as K-economy was all about learning, it would be

easy to acquire knowledge as long as Malaysians were prepared to keep learning from each other and from the world.

-- BERNAMA

AR NZ ZS AHH RYN