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LID-WRAPUP (2ND DAY)

MORE IDEAS EMERGE TO TACKLE GLOBALISATION CLEVERLY

By: Yong Soo Heong

LANGKAWI, Nov 20 (Bernama) -- The second day of deliberations during the Langkawi International Dialogue 2000 (LID 2000) saw more ideas being put forward on making things work better, effecting greater shared prosperity and improving the quality of life among the people in emerging economies.

Despite the air of informality as far as the attire of the top delegates was concerned, they engaged in serious discussions, especially on how to tackle globalisation and how to lift emerging economies from the poverty trap and economic suppression.

Much was centred on what Prime Minister Datuk Seri Dr Mahathir Mohamad had articulated -- the need for a network among developing countries to guard against those who perpetrated the continuance of irrepressive market forces.

Datuk Azman Yahya, managing director of Pengurusan Danaharta Nasional Bhd, said globalisation, if left unchecked and not properly handled, could destroy culture and environment, the two main pillars of a sovereign state.

But he said that it was perhaps impossible to turn the tide of globalisation - the genie has been let out of the bottle - but it may be still possible to influence those that have the power to relook at specific aspects of globalisation that had undesirable effects on countries.

The participants at the LID 2000 dialogues more or less agreed that globalisation will stay but perhaps its pace can be slowed down to make the impact less painful. So how do emerging economies handle globalisation?

Bank Negara Malaysia governor Datuk Dr Zeti Akhtar Aziz felt that their ultimate objective should be to raise growth rates, create economic and job opportunities as well as to achieve balanced and equitable growth and overall prosperity.

To prosper in the new economy and environment, new strategies needed to be adopted and these include having in place mechanisms to create awareness and understanding of the nature of the changes that are shaping the economic, financial and business landscape and their radical implications and consequences.

There is also a need to understand the forces of change and their implications and for countries and businesses to devise strategies to influence the pace of globalisation and be better prepared to ensure success as well as minimise the risks.

Both Dr Zeti and Azman stressed the need to speak with "one voice" at international economic fora.

In preparing for globalisation, Azman said a country needed to steadily minimise the private sector's dependence on government protection like tariff and non-tariff barriers.

"Here you really need to juggle the ball - too early a withdrawal may kill local industries affected and too late a withdrawal may lead to inefficiencies in the economy," he said.

In this respect, Datuk Haron Siraj, Secretary-General of the Ministry of Primary Industries, said Malaysia should know its own strengths and weaknesses and find niches that would benefit the country to ride the wave of globalisation.

Azman said there was a general belief in certain industries that there

was a need to have several foreign strategic partners for them to become a world-class player in a globalised scenario.

However, some governments might find it tough to justify the liberalisation of foreign shareholding in some industries if they had a strong union in an "uncompetitive protected industry."

Nevertheless, Azman said, "I believe it is better to have a diluted stake in a competitive industry rather than a full stake in an inefficient one."

But before any country jumped into the driving seat of globalisation, it must be aware of the globalisation process that was taking place and its impact.

Countries should also be prepared for globalisation because it was not all that bad, he said. But they must consider some issues like protectionism, political sensitivity in shareholding structure and measures to improve the efficiency of local players.

Economic issues aside, there was also intense debate on diseases, particularly malaria, which was almost brought under control 25 years ago but now kills about 2.5 million people every year worldwide, largely due to the ban on DDT in many countries.

Malaria has become the number one cause of death in Mozambique, the number two killer in Africa and the number one killer of children in Africa.

African delegates to LID 2000 have repeatedly stressed that the dangers of DDT were overstated and are calling for the ban to be lifted. DDT was banned in the early 1970s because of its alleged threat to certain species of birds and unsupported fear of risks to human health.-- BERNAMA

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