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The smart way to trade

POOR people are poor customers. That was the reminder of Prime Minister Datuk Seri Dr Mahathir Mohamad to European countries. The Association of Southeast Nations is a big marketplace with 500 million customers. They can be likened to 500 million barefoot people. They want to buy shoes that Europe makes but they cannot if they remain poor. The wiser option then is to enrich the potential customers so that they have the means to afford shoes.

That is the smart way to trade, Dr Mahathir told the Europe-Asia Business Summit 2000 on Tuesday. European countries should consider smart partnerships with Asean countries which could be achieved if they transfer technologies to local partners.

Europe should be sensitive to the concerns of Asean businesses and enterprises. It should not continue to bring in its products in one form or another and market them with Asean labels. Putting up car-assembly plants in the region and distributing the finished vehicles in neighbouring countries blunts the competitive edge of locally produced cars. Proton for one has to pay for components that it has to import. It thus loses out in pricing in the regional markets if European marques continue to be assembled in Asean countries and benefit from the tariff rules of the Asean Free Trade Arrangement. If these practices persist, Malaysia, Dr Mahathir warned, would have second thoughts of Afta. It would call its partner countries to the discussion table to review the rules that obviously favour non-Asean trade partners.

That eventuality, hopefully, would not have to come to pass. If, that is, European countries learn from the past and present. Once they were seafaring nations who carved out colonies from the continents of the New World in the West and East.

They plundered the rich resources of the colonies under their domain, rendering the people poor. Worse, the colonised became poor customers of European manufactured goods. For one, how many Malaysians could buy British cars way back in the 1940s and 1950s?

Time have wrought changes. Colonies have disappeared from the international map. In their place sovereign countries have emerged and collectively have changed the colour of the globe. Technology too has evolved rapidly, far too rapidly for many to grasp and comprehend. Computer softwares that have changed life and times become obsolete the week they are marketed. But fortunately or unfortunately, the West does not enjoy a monopoly on computer wizards. Asia has seen the rise of software creators some of whose programmes are better than the best coming out of the fabled Silicon Valley. The East has also produced masters of the age-old art of copying. But the West has condemned this "reverse engineering" to be criminal.

Endowed with that patent the West should not put too high a premium on its computer software in the Asia market. Such a marketing strategy would beggar Asian customers and beggars are not the best customers. A lesson that the West in general and Europe in particular should have learnt from history. Thus as Dr Mahathir advised the gathered businessmen at the summit, Europe should be willing to transfer technology at a nominal cost. That is the smart way to trade. The alternative is an intractable problem. Asians are not criminals. But if the cost of transfer of technology is too high, no authority is that omnipotent to stop the breach of copyright

laws .

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