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`MoU on industrial sites within Asean needed'

ASEAN must come to an understanding on the distribution of industries in the region to avoid excessive competition among themselves, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

He said they must agree to site certain industries in specific countries so that competition would be minimal, though not to the extent of a monopoly.

The economic community would fail if they fought for each other's markets instead of co-operating to tap the regional market of half a billion people.

"If all countries want the same industries, there will be only small national markets for each, not regional markets," he said at a luncheon talk organised by the Asean Council on Petroleum.

Attended by over 800 international and Malaysian delegates, it was held in conjunction with the 7th Ascope Conference and Exhibition.

Dr Mahathir also said Asean must stand together to defend its market and extract the best terms from its dealings with developed countries.

It must develop its own market and economic wealth, and use its closeness to maximise the sourcing of its own needs from within the grouping.

He added that the Asean electrical and gas grid must be made a reality as quickly as possible.

These steps, he said, were the things which Asean could do to survive in the new economy.

"We survive by staying together. Alone we will fall, but together we stand a chance. Each of us will be offered attractive propositions but we will lose out if we break ranks," he said.

He said another problem was the hijacking of the market by foreign corporations setting up so-called "national industries" which they owned.

Touching on globalisation, the Prime Minister said developing countries should be given a "handicap" to compensate for their weakness against developed economies.

He added that the rate of globalisation should be staggered so that developing countries need not completely give up protecting their industries but still have access to the markets of the rich.

Dr Mahathir said small businesses must be protected, even if they were not cost-efficient, because they are part of a society's identity.

"Variety is the spice of life. The spice is fast disappearing as we stay in Hilton hotels, eat McDonald's hamburgers, drive a Ford car, bank with Citibank and buy our household needs from Carrefour," he said to laughter.

He added that developing countries already found it difficult to enter established markets because brand names have become so important.

He said globalisation may be good for businesses and consumers, but it would not be long before national interests were sacrificed.

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