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Dual challenge facing Malaysia

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KUALA LUMPUR, Tues. - In facing the challenges of globalisation, Malaysia is confronted with the difficulty of how to enhance its value-added capacity and competitive edge, and preserving peace and harmony.

Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said having one of the two was not enough.

"We must do both," he said in his speech at a luncheon talk organised by law firm, Skrine and Company, in association with the Asian Strategy and Leadership Institute (Asli) today.

The talk was on "Globalisation: Challenges and Opportunities for the Malaysian Economy."

Also present were Skrine and Company's senior partner, Chen Kah Leng and Asli president Mirzan Mahathir.

"The nation must transform to become a competitive knowledge-based economy, while at the same time maintain her way of life and peace and stability within."

He said domestic competition must be regarded as a precursor to globalisation and that Malaysian companies should strive for success locally, regionally and internationally.

"Government assistance cannot be relied upon for much longer. Indeed, such help is of little consequence on the world stage.

"Cosy domestic monopolies cannot and should not last.

"We must strengthen our companies by reducing official support and by injecting greater competition in most sectors."

When asked about non-tariff conditions during a dialogue that followed, he said Malaysia must be prepared to accept that the option of protection from the conditions would no longer be there.

"Therefore, let's not think of how to defeat these non-tariff conditions but rather address the need to be more efficient, productive and increase quality." At a Press conference later, when asked why Malaysian companies were reluctant to change in the face of competition, Abdullah said:

"They have to realise that they have to change. Some people are reluctant to change because they may incur additional costs."