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Meeting sends strong signals to businesses

Hardev Kaur

THE American President George W. Bush not only found Prime Minister Datuk Seri Dr Mahathir Mohamad to have a "very good sense of humour" but a moderate Muslim leader who is easy to get along with.

The two leaders saw "eye to eye" on the need to deal with terrorists, terrorism and other matters. As mature leaders they accepted the fact that they "may differ on certain issues". Among them, Malaysia is not in favour of the US-led military attack on Afghanistan.

The two were "able to communicate with each other" during their first face-to-face meeting on the last week.

This "chemistry and warm meeting between the two" must have come as a surprise to many in America and even those around the world, who have portrayed Dr Mahathir as anti-American and anti-West.

This could not be further from the truth. The Prime Minister is hardly anti-West or anti-American. He is pragmatic and practical and not afraid to challenge conventional thinking and neither is he afraid to speak his mind.

He does not waiver from his convictions and beliefs. Many of his views, ideas and proposals which were condemned and rejected as "irrelevant" and "inappropriate" when first proposed, are beginning to gain currency.

These include the need for regional co-operation in the financial and economic sectors as well as the need to check the free flow of funds which like a wrecking ball knocked out many developing countries causing untold damage, hardship and misery to millions in developing economies.

Bush is said to have indicated to Dr Mahathir that Malaysia has a role to play in the Islamic world. This is hardly surprising as Malaysia is a moderate Islamic state and Dr Mahathir as a progressive Muslim leader has an important role to play in ensuring a better understanding of Islam and of Muslims.

It is also just one of two Islamic countries that has progressed to enter the "developed world".

From a business perspective the meeting between Dr Mahathir and Bush in Shanghai on the sidelines of the Asia-Pacific Economic Co-operation Apec) forum was important.

According to Ernie Bower, president of the US-Asean Business Council, there has been an "actual and practical warming up of relations".

For Malaysian businesses, Datuk Sharil Shamsuddin of Sapura said, the meeting sent a "very strong message" and augurs well for future political social and economic relations.

To the American business community, the meeting is significant. Bower said the American President was "reaching out to the Prime Minister as a senior and most experienced leader in Southeast Asia, as a senior statesman of a Muslim country.

He (Bush) asked for advice. "A page turned and we are into a new relationship." But the relations cannot be taken for granted. All parties, businesses and the governments, have to work on improving public relations and communications.

The two business leaders agreed that every segment of society, including the media, have a role to play. "You've got bilateral relations moving in the right direction. But the newspapers give a different story," Bower says.

Dr Mahathir who has been described as "the prickly outspoken President"

by the New York Times is neither prickly nor is he the "President".
Outspoken, Yes.

It is important, as the Prime Minister has repeatedly said, to "stick to the facts" even though they may not be palatable. It appears that at the political and official level the relations are "warming". And as Bower pointed out, contacts are really starting to take place even at the highest government levels.

US Trade Representative Bob Zoellick made a special trip to Kuala Lumpur recently "to try and understand" Malaysia's views on trade and next month's World Trade Organisation (WTO) Ministerial meeting.

Zoellick also met Dr Mahathir and Foreign Minister Datuk Seri Syed Hamid Albar.

Dr Mahathir described his meeting with Bush as "a good meeting" and the President's parting words at the end "we must strengthen relations" sets the tone for future relations.

Business, both Malaysian and American, viewed the outcome of the leaders' meeting as positive. Bower said the two leaders are reaching out to each other and demonstrating how important the relationship is.

"While they are doing it and they are consulting together, they need their countries to understand each other.

"The business community (of both countries) had better do the same."

The co-operation and understanding will be useful and productive in the current state of the world economy. "It is important for all economies to take timely policy actions to strengthen markets and facilitate an early pick up in global economic activity," the Apec leaders had declared.

The fact is that the world economy is rapidly heading towards recession.

Energies and efforts are needed to check the decline and to seek ways of reviving the economies, generating economic activities and trade to prevent a worldwide recession and as some analysts say even a possible deflation.

Before Sept 11, businesses were considering how to manage in a slowing economy. After Sept 11, with little or no growth in the US, no growth in Europe and the "popping of consumer confidence" American companies are seeking to "find confidence".

In this anaemic economic environment and shattered consumer confidence, the "question in US-Malaysian relations was how can we get the gears turning?"

The answer was provided by Dr Mahathir and Bush when they met in Shanghai and demonstrated "not only in their conversation but also in their body language". With strategic businesses trying to manage for a downturn the meeting augurs well. This is where governments really matter, Bower says.

"Businesses need signals, good signals of confidence. And I think we got a good signal of confidence from the Bush-Dr Mahathir meeting...
Businesses need governments and they need leadership and symbolism. And we got it."