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Mahathir-Globalisation

PM SUPPORTS GLOBALISATION BUT NOT AS INTERPRETED BY RICH COUNTRIES

PETALING JAYA, Aug 27 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that Malaysia is for globalisation but not as being interpreted by the rich countries which think exclusively in terms of their capitals and profits.

He said globalisation must be good for all countries especially the developing countries which were still poor and weak.

Globalisation must be implemented in stages to allow weaker countries to upgrade themselves so that they could compete and protect themselves, he said during a dialogue session at a national conference in Bandar Sunway here.

He earlier delivered his keynote address entitled "Achieving Sustainable Growth, Strengthening Economic Resilience - Malaysia's Path to Prosperity" at the National Conference on the National Vision Policy, the Eighth Malaysia Plan and Privatisation.

Dr Mahathir said Malaysia agreed there should be a borderless world in terms of capital investment because the country had been getting foreign capital investment even without globalisation now and had benefited from it through their setting up of factories.

However there must be some kind of protection to the country so that it would not face economic problems when huge foreign capital was suddenly withdrawn from the country.

"We know now if the capital is suddenly pulled out, it can cause our economy to collapse. So when we want globalisation, it should be something that is good for us but not bad for the rich countries, because we need the rich countries.

"We want them to be rich but not at our expense," he said.

The prime minister said presently the idea of capitalisation to the rich countries was that capital and market were supreme and they were only interested in profit but not in what happen to the community of a country.

Dr Mahathir said the sudden withdrawal of huge capital from a country could cause millions of people to be thrown out of job whereas the investors' main concern was only to make as much profit as possible.

The fact that countries were being developed at different stages should also be taken into consideration in carrying out globalisation, he said.

"Some countries are highly developed and are quite able to protect their own interest. Other countries are extremely poor and weak and they cannot protect their own interest," he said.

Citing Malaysia's small automotive industry as an example, Dr Mahathir said the industry would not be able to compete with huge automotive companies if they were to come to Malaysia.

The world's automotive industry was being merged and amalgamated to reduce it to five huge companies, with two each in America and Europe and one in Japan, he said.

These huge companies with enormous economies of scale would actually dominate the world in the form of oligopoly, he said.

"(When they come to Malaysia) They say that why does Malaysia need an automotive industry, why don't you sell it to big companies.

"And if you do that, what will happen is that they will decide that it is uneconomic to produce in Malaysia," he said adding that they would produce the cars in other countries and in turn sell them in Malaysia.

If that were to happen, Malaysia would lose its automotive industry

which has been a catalyst for the country's engineering industry, the prime minister said.

Similarly, if huge foreign banks were allowed to operate in the country with the status of national banks, they would undercut the local banks and buy them over in the end, he said.

Dr Mahathir said the foreign banks could not be expected to be interested in Malaysia's social problems and the government could not ask them to give loans to Bumiputeras for example.

Dr Mahathir said the term "level playing field" used in globalisation was only meant for people of the same size.

"If you have one team which is made up of giants and the other, of midgets, and they were asked to play American football which they have never played before... can you imagine?," he said.

"While we believe in globalisation, we would like to negotiate the terms of globalisation," he said.

Dr Mahathir agreed that globalisation would open up big markets which are only for those who could compete.

The two-day conference, jointly organised by the Economic Planning Unit of Prime Minister's Department and the Asia Strategy and Leadership Institute (Asli), is being attended by 450 public and private sector participants.

-- BERNAMA

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