

SMEs told to pool resources

NS7 29 JUL 2003

LANGKAWI, Mon. — The private sector in Malaysia and Thailand should seize opportunities under the Asean Free Trade Area (Afta) by setting up joint ventures and strategic alliances.

Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said they could even transform the co-operation into Asean-based conglomerates.

Such joint ventures would provide opportunities for Malaysian and Thai companies to expand into the Asean region, he said.

He said companies should take full advantage of Afta by undertaking research and development, enhancing product innovation, strengthening industrial linkages and developing Asean products and services that could compete globally.

“In the long run, these larger alliances will provide the impetus for the development of small-and medium-scale enterprises in both nations,” he said when closing the inaugural Malaysia-Thailand technology and business partnership dialogue at a hotel here.

“We must get our respective private sectors to play a catalytic and more dynamic role in spearheading alliances in Asean, in general, and between Malaysia and Thailand, specifically.”

Abdullah, who will assume the country's leadership after Datuk Seri Dr Mahathir Mohamad steps down in October, gave an assurance that policies and programmes on economic and technology co-operation between Malaysia and Thailand would be continued under his leadership.

He said both nations recognised the considerable benefit that could accrue from stronger bilateral collaboration, closer partnership in technology and enhanced business networking.

Abdullah noted that SMEs in both countries needed financing and other resources in their home markets to grow and develop before they could venture abroad.

This financing, he felt, need not be limited to domestic funds.

“We should promote the creation of a financial system within each Asean economy that fosters cross-border investment and improves the financial situation of enterprises, enabling SMEs to participate more actively in the international markets.”

The deputy prime minister said Asean must also put into place a legal framework that provides certainty to entrepreneurs in ensuring fair trade practices in the region.

Emphasising that the development of SMEs was of great importance to both countries, he said Malaysia and Thailand should pool their resources and share experience and best practices on how to move the sector forward.

“They (SMEs) are important source of wealth and employment for both nations. They are producers of many intermediate and final goods; essential consumers of local goods and services; and primary vehicle for new entrepreneurs to venture into business,” he said.