

'Covid-19 could be worse than Great Depression'

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PETALING JAYA: The Covid-19 crisis could trigger a recession graver than the Great Depression of the 1930s, which has been regarded as the worst economic downturn in the 20th century.

Former prime minister Tun Dr Mahathir Muhammad said the current crisis is unlike the Great Depression that was related to the stock market, which could be intervened through various government measures.

The Covid-19 pandemic is a health crisis that could only be overcome by the development of a vaccine, Mahathir said.

"I would say that it (depression) is already partly here, but may become worse over time, unless we learn how

➤ This time, the cause of recession is beyond our control, says Mahathir

to handle it.

"It will be worse (than the Great Depression), because this time, the cause is beyond our control until we can perfect a vaccine," he said in a live YouTube session with Creative Cloud Community (CCC) yesterday.

The Great Depression began in 1929 when the stock prices in the US crashed and it lasted until late 1930s.

In the first three years of the economic depression, global gross domestic product fell by about 15%, with many countries facing the effects of the crisis for up to a decade.

Mahathir said with businesses

suffering from the current Covid-19 crisis, it is best that they adapt to the present circumstances and even consider going digital.

"Don't stop doing business. Find out how you can make use of your assets. For example, if you are a restaurant owner, you can sell your food online. Online business is catching on here, and it is the future.

"Fortunately for us, we have this benefit of new technology. This must be studied carefully, to see how we can benefit from it," he said.

Citing the manufacturing industry, Mahathir said there is no

excuse not to go global despite the current crisis, as digital platforms are readily available.

"Now, the whole world has become your market. You are no longer confined to your town, for example.

"I know a person who used to sell cakes through a coffee shop. Sales was not very good, and she went online. Now, her market has even expanded to the Middle East."

On advice he has for new entrepreneurs, Mahathir said the key is to do business in something the person has knowledge in, and not simply be influenced by others around them.

He added that in the early stages of doing business, people could expect challenges, but with hard work they shall prevail.