

SPEECH BY: DATO' SERI DR. MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: AT THE ALCAN INTERNATIONAL MANAGEMENT PROGRAMME

VENUE: THE REGENT HOTEL, KUALA LUMPUR

DATE: 25 FEB 1983

TIME:

Ladies and Gentlemen,

Let me first of all thank Mr. Eric A. Trigg, the Senior Vice-President of Alcan Montreal and the Program Director, Mr. Jean Pierre Beaulieu for the opportunity extended to me to address this prominent group of executives of Alcan.

2. The fact that this group represents both the developed and the developing countries gives me a rare opportunity to focus on some of the critical issues of technology transfer and global economic future and prosperity. As a prominent multinational corporation I am sure the question of transfer of technology is one of your concerns at this point in time of international economic development and cooperation as it is to the world community at large. Having the opportunity of sitting with you who have come from various countries, I should also take advantage to learn from your experiences. Hence, I shall only talk very briefly, and perhaps interact more through a dialogue at the end of my remarks.

3. Technological imbalance among nations, in particular between the developed and the developing countries is growing at an even greater pace with the rapid scientific and technological progress of the developed nations. This phenomenon is placing a greater strain on the the already inequitable situation existing in the world economic and financial systems. In the wake of this, there cannot help but be an increase in political strains, as the weak nations seek patronage from among the competing great powers.

4. We know that inequity in any form denies equal opportunity for progress. It leads to dichotomies but even more serious is that its leads to confrontations. The demand for a New International Economic Order and the North-South dialogue are but manifestations of dissatisfactions with the existing order and situations. We also know that there exists an explicit and implicit resistance on the part of the advantaged advanced nations to sort out things so that an equitable system that can benefit everyone is instituted. The crux of the matter is the rigidity of the developed nations. Of course, there are substantive issues such as the negative factors existing in the developing countries which deter progress but unless there is a change of attitudes on the part of the developed countries very little can be done by the developing

countries to come out of the poverty trap.

exploitative and manipulative systems that their capacity to progress is limited. Every move by the developing countries to salvage their economies is being met by a counter strategy by the advanced nations. Free trade was expounded by Western economists as the most ideal form of trade until of course the developing countries learnt to export and enter western markets. Now protectionism is the acknowledged method of the developed countries which have also banded together in powerful economic groupings. Obviously we are in a bigger trap now. Prolonged recession with the demand for primary commodities at its lowest and prices being depressed is a painful and bitter experience for many. But the socio-economic effects on the already large poor segment of societies in the developing and less-developed world are very depressing. An easy way out for the west is to hike up interest rates. High deficits and heavy debts create not just more imbalance but worse still more dependency instead of an interdependent economic situation. I need not elaborate what it means except to summarise that it is dangerous.

6. Inequitable technology is a barrier to common progress. While the developing countries are at the early stages of applying known technologies, the advanced countries are progressing by leaps and bounds into higher technology and robotics. Unless a serious thought is given to the implications and a suitable approach to a more equitable growth is taken, technology can be a disparity that adds to the existing confrontation.

7. It is easy to speak of technology transfer as a means of resolving the situation. Transfer of technology requires some basic pre-conditions. Firstly, the sincerity and willingness of the owners of technology to transfer technology. Secondly, the readiness and capacity of the recipients to accept technology in its optimum form and level, and thirdly, the logistics for the proper flow and transfer.

8. I need not elaborate on these. But two points, I think, are important to mention. Firstly, each country functions in a special environment of its own, and secondly, the developing countries truly need sincere and proper guidance. Some technologies may be beyond the capacities of the seekers of technology. The implications may not be known. Technology is not an end in itself. It is a means to an end. And that end is the achievement of economic goals which in turn are to serve social and political purposes.

9. It is enlightening that some moves to re-locate industries are being undertaken by certain industries. Efforts by multinationals to locate high technology operations in developing countries in line with domestic policies and aspirations is also a progressive step.

10. One important factor for effective transfer of technology is the employment and training of local staff at all levels. This is an important element in the logistics that I have referred to just now. It would be to the advantage of the corporation that the staff consider themselves as an integral and vital part of this operation. It is as important to the industry that this operation is carried out, as it is important to the country where the industry is located.

competitive situation, particularly where aggressive achievement may be negated by a lack of markets in the mass consumption economies of the developed world.

12. Joint-venture enterprises on an international scale can pave the way not only for the transfer of needed technology for the industrialisation of developing countries, but more significantly they can ensure market outlets for products manufactured in developing countries. I am very happy that ALCAN is going in a big way in terms of siting its most sophisticated technology in Malaysia. I hope other multinationals would also take advantage of this type of arrangement so that in practical terms we can serve a more equitable interrelationship among countries.
Thank you.