

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

EVENT: THE WORLDWIDE PARTNERS' 1999 ANNUAL WORLD MEETING

VENUE: THE SHERATON IMPERIAL HOTEL KUALA LUMPUR

DATE: 22 JUN 1999

TIME:

I would like to start by acknowledging the presence of your current Chairman, Mickey Gallivan, your President, Patricia Fiske, your immediate Past-Chairman and Host, Austen Zecha, who we recognise as your esteemed network's first-ever Chairman from Asia during his term of office last year. And of course all of other members of your Board of Directors who represent the different regions of this world, to make you, as I understand, not only the oldest but also the largest network of independent and owner-managed advertising agencies ever. I salute the entrepreneurial spirit and successes of all your agencies as I have always been a long-time proponent of entrepreneurialism among Malaysian organisations.

2. I am delighted indeed to be able to be here today as you begin Worldwide Partners World Meeting 1999, and to try and share with you my thoughts on what your profession and industry mean to me. I may be Malaysia's Prime Minister for the past 18 years, some of course say for far too long already, but I have been a consumer for a lot longer than that. So like most people I have been both a beneficiary as well as, at times, a victim of your profession.

3. The very fact that Malaysia, and the Asian region, have been going through the most difficult and challenging economic period in their history gives this timely meeting of yours -- and my privilege to address you today -- even greater significance. Therefore, as a politician, I truly welcome this opportunity to talk with you. So please bear with me as I try to put my views before you professionals.

4. I know from you partner agency here, ISCB, that some of you were most helpful in assisting ISCB to undertake its 'Malaysia: Bullish on Bouncing Back' international campaign last year to try to halt the sliding confidence in Malaysia's ability to recover economically. On behalf of Malaysia, I now would like to thank you sincerely for your cooperation and assistance, and you should be pleased to know that the campaign encouraged other similar undertakings -- not

only in Malaysia, but other Asian countries as well -- to restore peoples' confidence to overcome this co-called 'Asian Flu', although as a medical doctor I never doubted for even one moment Malaysia's and Asia's ability to recover. And I would like to report that Malaysia is indeed bouncing back very strongly.

5. I am also mindful of the fact that all of you nearly didn't go through with your plans to have ISCB host this annual meeting of your network here in Kuala Lumpur -- something which, ironically, serves as a prime, if not perfect, example as the crux of my address to you today. Understandably, many of you were skeptical, anxious, even fearful of coming here after hearing and reading about the allegedly deliberate beating up, trial and jailing of Malaysia's former Deputy Prime Minister in September last year, and the ensuing protests which, like advertising, have become larger than life through repeated worldwide media hype.

6. You were further concerned with the effect on the state of law and order and security here when the US Vice President and its Secretary of State came to Kuala Lumpur to attend the 1998 Asia Pacific Economic Cooperation, or APEC, summit meeting last November, and made highly-publicised critical statements condemning our country's governmental, judiciary and political processes due to the arrest, trial and jailing of its former Deputy Prime Minister. Of course, Austen Zecha would have me believe that such rudeness would not have been uttered by Republican officials. We will just have to wait to find out if that is true. The proof of the pudding lies in the eating.

7. But then again, if I had been in your shoes, I may have been similarly concerned about being here. However, as someone whom I earlier referred to as having been both a life-long beneficiary and victim of advertising and promotion, I would have relied on that and my sufficient experience with the media to be able to exercise my discretion in weighing what is reported and 'hyped' as opposed to what is the truth. I sincerely commend you, therefore, for letting your discerning wisdom prevail and for coming here to experience for yourself what Malaysia is all about, in spite of what so-called 'Free Press' coverage of Malaysia was, is and may still be in the future, unfortunately.

8. The advertising industry in most countries is self-regulating. You have your advertising Standards Authorities to ensure that certain ethical standards are maintained. In a world that is deregulating everything, i.e. that rejects Governments as the arbiter of society's conduct; it is paradoxical that

regulations are still needed, although they are designed and imposed by the people concerned themselves. We are therefore not really deregulating. We are merely transferring the responsibility from a third party, namely the Government to the first party in the belief that the latter would not do a better job. Unfortunately the second party has not direct role in this self-regulating exercise. And the second party is the most important party, being the recipients of the end results of the first party's activities. They come under the general description of consumers.

9. Accordingly the second party has resorted to forming activist groups whom we refer to as Non-Government Organisations, in order to protect themselves since no third party is around to protect them anymore. The NGO's have now become a force to reckon with, and they are not too particular about how they protect themselves.

10. Clearly, self-regulating industries must always take into consideration the interests of the consumers if they want to ensure that their industries survive and prosper. Quick gains cannot be the objective of regulating. Rather the long-term interest and well-being of the industries must be the primary concern. I am sure that this is the thinking of the Advertising Standards Authorities in the developed countries. In less developed countries like Malaysia, the Government still has to monitor and regulate. Freedom is a heady brew and for those newly introduced to it, freedom tends to go to the head. Under British rule we had no freedom - everything was regulated from Whitehall in London. We have been an independent democracy only 42 years. We are learning fast but standards and interpretations of democracy and freedom seem to change faster. So we will lag behind somewhat with this business of deregulating.

11. In short, advertising -- as well as freedom of the press, since both are members of the Communications Industry -- are, at various stages of development in different countries, and need some monitoring or policing by self or in some case by those authorised by the people. Self-policing is the ideal but it quite often fails in countries where public sense of responsibility is not well grounded and not mature enough. Racial and religious sensitivities can be easily upset when there is no deeply ingrained self-discipline. Those entrusted with maintaining peace and security cannot just excuse themselves because everyone is suppose to be regulating himself.

12. In these days of consumer awareness and the

insistence on quality, good suppliers who wish to stay in the business must ensure whatever they supply meet with the customers' or clients' expectations and needs. No consumer wants to be handed goods or receive services which do not measure up to the specs. The consumer has a right to return the goods and claim compensation. If the consumer's demand is not met, then he can resort to litigation. In fact litigation awards are so high in group action that suppliers live in fear that past failures still haunt them. The tobacco industry knows this very well.

13. The suppliers of news and the promises made in the course of advertising are no different from other suppliers of goods and services. Based on what they are told or led to believe, consumers act. They buy or they use what is supplied to them. If they find that what they buy or they consume or they act upon is not as described, then they, the consumers, have a right to seek compensation. The material goods can be returned but many things cannot be returned or compensated for.

14. I am sure that as people concerned with promoting goods and services you would want to see that what you help claim in your advertisements meet the expectations you raise in the consumers' mind. If for example you know that cigarette smoking causes cancer, you would not want to imply in your advertisements that smoking the brand you promote does not cause cancer. Similarly, if you carelessly claim that mile is good for the health when you know that it leads to cardiac disease, you can still promote consumption of mild but would not make wild unsubstantiated claims about its health-giving properties.

15. Malaysia as you know has been going through a period of economic instability accompanied by a degree of political turmoil resulting from the removal of the Deputy Prime Minister from his post. Admittedly, the economy was badly traumatised with growth actually contracting in 1998. There were street demonstrations, intended to be peaceful but as usual turned ugly. The Police were attacked, their patrol cars damaged and rubbish bins burnt. Initially, there were daily hour-long demonstrations confined to Kuala Lumpur. After a week the numbers and the frequency diminished; the demos being held only on Saturday afternoons in specific places.

16. Life went on as usual in most parts of Kuala Lumpur and the rest of the country. Today of course you don't see anything amiss in Kuala Lumpur. It is its usual bustling self. The construction work is almost back to pre-economic turmoil days. The shopping complexes are full of people. And everyone is busy

contributing to the country's wealth.

17. This is the true picture. But as you yourself know, this is not the impression you got when you read the media reports or the TV reports before you came here. You believe that Malaysia is unstable and dangerous even; not the place to hold an International Conference; certainly not a place to invest. The Malaysian Government had allegedly turned its back on the world, had imposed currency controls etc, all of which must result in severe economic slump and possibly riots by its citizens would continue and the Government would be toppled. There would be anarchy.

18. This is the impression that you get from the International Western media reports.

19. What I am talking about may not sound relevant to the advertising industry. But adverse news reports have the same effect as advertising. That is the relevance.

20. People, business people included, make decisions on the basis of the information they get. Many would-be investors, tourists and seminar participants decide to invest or to visit based on what they see or hear or read. When they get wrong information then their decision would be equally through media reports, many foreign investors missed out on profitable investments in Malaysia. Since September last year when the distorted reports about Malaysia were being spread by the media, the Malaysian stock market index rose by almost 200 percent. Literally this means investors who came in early would have made huge capital gains. But they did not because of the incorrect information that they had received through the media.

21. The urge to distort and to misinform seems irresistible to some people. Recently a film was made on location in Malaysia. We are horrified to find that the Kuala Lumpur twin towers, the tallest buildings in the world, are pictured as rising from the slums of Malacca 150 km away. You have been here and you know that this is far from being true. The twin towers rise in the middle of a modern city and it is surrounded by 50 acres of gardens where the people enjoy their evenings and weekends, people who are well-fed, well-clothed and probably well-heeled as well. They are far from being slum dwellers.

22. The distorted views of the twin towers will certainly make the movie audiences in the rich countries conclude that Malaysia is one of those developing countries which waste public funds, perhaps even foreign aid, on useless grandiose monuments. And they of course would not want to come and see the

highest buildings in the world. I really cannot understand why we need to distort and harm when we can be charitable without any additional cost to ourselves.

23. Today product liability is something that we all take seriously. Cessna ceased producing single-engined aircrafts because any defect in the aircraft found twenty years after usage could still result in the company being sued or blamed.

24. But when news agencies sell their news reports to their clients, readers and viewers shouldn't they be made equally responsible for the products they sell? If their distorted and inaccurate news results in wrong decisions being made and losses incurred due to missed opportunities shouldn't the news agencies, the media be held responsible for their product, namely the news they broadcast to people who are their clients?

25. If the manufacturers must be responsible for product liability should the news agencies not be responsible for their products?

26. You are in the advertising business and I am sure you are careful about what you help to promote. You do not want to mislead the consumers, certainly not deliberately. Inadvertently - yes but not deliberately.

27. I believe that advertising is absolutely necessary for the rapid growth of an economy. The advertising industry must serve not just the client but also the consumers. Aware of the importance of product liability both client and you must ensure that nothing is claimed that is not reasonably accurate. The consumers have a right to expect that what they are told about a product or service is reasonably accurate.

28. In Malaysia we are not very litigious. But we are learning fast. This will certainly drive up the cost of everything. We hope the good judges will not be so carried away by the rights of the litigants that they make awards which will eventually burden society with high costs.

29. But whether they do or they don't. it is the duty of everyone to be truthful about the goods and services they sell. Even politicians must ensure this or they too will face the wrath of the courts and the voters.

30. We live in an age of literate and educated consumers. We cannot afford to take them for a ride, to diddle them. We must therefore be more careful about everything that we do or say.

31. I am sure your conference will discuss this kind of problems that society is faced with. I am certain that you will help us take another step forward in the shaping of a better society, a society that is going to move into the next millennium with all the changes and advances that will come with it.

32. I wish you a successful meeting. I do hope you will take time off after the meeting to see a little of our country. We think it is beautiful and we hope you will think so too after seeing more to it.