

MAHATHIR

KUALA LUMPUR, OCT 23 (BERNAMA) — MALAYSIA HAS BECOME THE EIGHTH LARGEST MANUFACTURER AMONG DEVELOPING COUNTRIES WITH MANUFACTURED GOODS NOW CONSTITUTING THE COUNTRY'S THIRD AND MOST DYNAMIC NEW EXPORT, DATUK SERI DR. MAHATHIR MOHAMAD, SAID TODAY.

LAUNCHING THE MALAYSIA EXPORT CREDIT INSURANCE BERHAD HERE, THE DEPUTY PRIME MINISTER ADDED THAT THE EXPORT OF SUCH MANUFACTURED ITEMS HAD INCREASED SIX-AND-A-HALF TIMES FROM 1968 TO 1977.

IT ROSE FROM \$430 MILLION TO \$2,800 MILLION ACCOUNTING FOR ABOUT 19 PER CENT OF THE TOTAL EXPORT EARNINGS OF THE COUNTRY, COMPARED WITH 10 PER CENT IN 1968.

DATUK SERI DR. MAHATHIR, WHO IS ALSO TRADE AND INDUSTRY MINISTER, SAID THE MANUFACTURING SECTOR'S EMPHASIS HAD CHANGED FROM IMPORT SUBSTITUTION TO HIGH TECHNOLOGY AND EXPORT-ORIENTED INDUSTRIES. — BERNAMA MORE 1316/AI

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TEN YEARS AGO, PETROLEUM PRODUCTS MADE UP 40 PER CENT OF TOTAL MANUFACTURED EXPORTS.

THIS SHARE WAS NOW DOWN TO JUST UNDER FOUR PER CENT WHILE OTHER EMPLOYMENT-EXTENSIVE EXPORTS SUCH AS MACHINERY AND TRANSPORT EQUIPMENT, ELECTRONICS, LIGHT ENGINEERING PRODUCTS, TEXTILE AND FOOTWEAR HAD GROWN RAPIDLY.

DATUK SERI DR. MAHATHIR SAID THAT THE EXPORT SECTOR WAS EXPECTED TO BE THE PRINCIPAL SOURCE OF GROWTH OF THE ECONOMY UNDER THE THIRD MALAYSIA PLAN.

THE EXPECTED ANNUAL GROWTH OF EXPORT EARNINGS WAS ABOUT 13.4 PER CENT, WITH A GROSS EXPORT TARGET VALUE OF \$17,193 MILLION BY THE END OF THE PERIOD. — BERNAMA MORE 1319/AI

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THE DEPUTY PRIME MINISTER SAID MALAYSIA EXPECTED TO ACHIEVE A GROSS EXPORT OF \$16,320 MILLION THIS YEAR, COMPARED WITH \$14,971.1 MILLION AND \$13,442.9 MILLION REALISED IN 1977 AND 1976.

THE FIGURE FOR JANUARY TO MAY THIS YEAR WAS \$6,228 MILLION, WHICH WAS AN IMPROVEMENT OVER THE CORRESPONDING PERIOD LAST YEAR.

HE SAID THAT ALTHOUGH MEASURES AND INCENTIVES TO PROMOTE EXPORT AND ENCOURAGE EXPORT-ORIENTED INDUSTRIES CONTINUED TO BE PROVIDED BY THE GOVERNMENT, THESE HAD NOT AFFORDED FULL COVERAGE OF THE ACTUAL TRANSPORT TRANSACTIONS WHERE MANY RISKS AND HAZARDS WERE FACED BY EXPORTERS.

IT WAS IN RECOGNITION OF THIS THAT THE GOVERNMENT HAD ESTABLISHED THE MALAYSIA EXPORT CREDIT INSURANCE BERHAD (MECIB) TO ENSURE THAT THE INTERESTS OF EXPORTERS WERE WELL PROTECTED.

EXPORT CREDIT INSURANCE SCHEMES HAD RAPIDLY BECOME A PART OF GOVERNMENT EXPORT PROMOTION PROGRAMME IN MANY COUNTRIES BECAUSE OF THE REALISATION THAT THE WORLD EXPORT MARKET, ESPECIALLY FOR MANUFACTURED GOODS, HAD BECOME MORE COMPETITIVE. — BERNAMA

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AND SUCCESSFUL COMPETITION DEPENDED NOT ONLY ON THE QUALITY AND PRICE OF THE GOODS BUT ALSO ON THE ABILITY TO PROVIDE BETTER CREDIT TERMS, DATUK SERI DR. MAHATHIR SAID.

EXTENDING CREDITS TO OVERSEAS MARKETS HOWEVER INVOLVED MUCH GREATER RISKS COMMERCIALY AS WELL AS POLITICALLY AND ECONOMICALLY, AND EXPORTERS WERE NATURALLY UNWILLING TO TAKE ON MORE RISKS ESPECIALLY ON FACTORS BEYOND THEIR CONTROL OR THAT OF THE BUYERS.

DATUK SERI DR. MAHATHIR SAID SCHEMES PROVIDED BY MECIB WOULD PROTECT THEM FROM POSSIBLE CRIPPLING LOSS ON ACCOUNT OF PAYMENT RISKS AND ENABLE THEM TO VENTURES INTO NEW MARKETS AND NEW LINES OF EXPORTS WITH GREATER CONFIDENCE.

THE SCHEMES WOULD ALSO HELP EXPORTERS CONSIDERABLY IN SECURING ADEQUATE FINANCE FOR EXPORTS FROM COMMERCIAL BANKS SINCE THE INSURANCE COVERAGE CONSTITUTED ADDITIONAL COLLATERAL TO THE BANK.

DATUK SERI DR. MAHATHIR WAS SURE THAT THIS WOULD PROMOTE INCREASED PARTICIPATION BY COMMERCIAL BANKS IN THE EXPORT FINANCING PROCESS AND MOBILISE FUNDS WHICH OTHERWISE WOULD NOT HAVE BEEN USED FOR THAT PURPOSE. — BERNAMA 1341/A1

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THE TRADE AND INDUSTRY MINISTRY'S SECRETARY-GENERAL, TAN SRI NASRUDDIN MOHAMED, WHO IS MECIB'S CHAIRMAN, SAID THE COMPANY HAD SOLD POLICIES WITH A TOTAL FACE VALUE OF ABOUT \$84 MILLION TO 15 COMPANIES.

THIS WAS IN EXCESS OF THE \$50 MILLION TARGETTED FOR THE PERIOD FROM JUNE, WHEN THE FIRST SCHEME WAS INTRODUCED, TO THE END OF THIS YEAR.

MECIB IS A JOINT VENTURE BETWEEN THE PUBLIC AND PRIVATE SECTORS, WITH THE GOVERNMENT HOLDING 50 PER CENT EQUITY.

THE 36 COMMERCIAL BANKS IN MALAYSIA HOLD 40 PER CENT WHILE THE REMAINING 10 PER CENT IS HELD BY THE COUNTRY'S 58 INSURANCE COMPANIES.

THE COMPANY'S AUTHORISED CAPITAL IS \$150 MILLION. ITS PAID-UP CAPITAL UP TO LAST MONTH WAS ABOUT \$5 MILLION.

UNDER THE ARTICLES OF ASSOCIATION, MECOB CAN GIVE COVERAGE OF UP TO 25 TIMES ITS PAID-UP CAPITAL. —BERNAMA 1500/AH