

MAHATHIR-TRADE

BH

EMBARGO: FOR AUTOMATIC RELEASE AT 2230 HOURS TODAY, JULY 13

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KUALA LUMPUR, JULY 13 (BERNAMA)--THE GOVERNMENT IS STUDYING THE POSSIBILITY OF ENGAGING IN BARTER TRADING WITH EASTERN EUROPEAN COUNTRIES, PRIME MINISTER/DATUK SERI DR. MAHATHIR MOHAMAD SAID TONIGHT.

THIS METHOD OF TRADING WOULD OVERCOME THOSE COUNTRIES' LACK OF FOREIGN EXCHANGE, HE SAID.

HE EXPLAINED THAT LACK OF FOREIGN EXCHANGE HAD LIMITED THE CAPACITY OF THOSE COUNTRIES IN BUYING MALAYSIAN RAW MATERIALS.

THE PRIME MINISTER SAID THIS PROBLEM HAD HAMPERED MALAYSIA IN DIVERSIFYING ITS MARKET.

SPEAKING OVER RTH'S ENHWAL SEMASA PROGRAMME, HE SAID THE POSSIBILITY OF MALAYSIA SWITCHING ITS MARKET WAS LIMITED. --MORE 2145/OM

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ALTHOUGH MALAYSIA HAD TRIED TO CHANNEL ITS MARKET TO WEST ASIA, THE AMOUNT OF RUBBER BOUGHT BY SAUDI ARABIA, FOR EXAMPLE, WAS LESS THAN THAT BY THE U.S. AS ITS POPULATION WAS ONLY SIX MILLION COMPARED WITH 250 AMERICANS.

THE PRIME MINISTER SAID THAT EXPORTING SEMI-FINISHED AND FINISHED PRODUCTS AS A LONG-TERM MEASURE WAS NOT THE ONLY WAY TO INCREASE FROM PRIMARY COMMODITIES.

THE QUESTION OF HAVING MARKETS WAS STILL THE PROBLEM, HE SAID, AS EXPORTS WOULD DROP WHEN DEMANDS FELL.

ACCORDING TO HIM, DIVERSIFYING REVENUE SOURCES AND INCREASING PRODUCTIVITY WERE BETTER MEASURES.

THESE WOULD MAKE MALAYSIAN PRODUCTS MORE COMPETITIVE, HE SAID. - MORE 2150/OM

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DATUK SERI DR. MAHATHIR SAID IT WAS BETTER FOR MALAYSIA TO ACT ON ITS OWN IN COPING WITH PROTECTIONISM UNEMPLOYMENT AND DEPRESSION IN THE WEST.

MALAYSIA, HE SAID, SHOULD NOT DEPEND ON OTHERS FOR THE WEST TO UNDERSTAND ITS PROBLEMS.

HE ASSURED THAT THE EFFECTS OF WORLD DEPRESSION WAS MINIMAL COMPARED TO OTHER COUNTRIES.

IN THE VIEW OF THE WORLD, THE MALAYSIAN ECONOMY WAS EXPANDING AT THE RATE OF FIVE PER CENT THIS YEAR AT A TIME WHEN THERE WAS NO GROWTH OR MINIMAL GROWTH IN MANY PLACES.

AS FOR UNEMPLOYMENT, THE RATE FIVE PER CENT COMPARED WITH THE U.S. WHERE IT WAS 10 PER CENT, UP FROM ONLY PER CENT PREVIOUSLY.

HOWEVER, THE GOVERNMENT WAS NOT TAKING THE MATTER LIGHTLY. - BERNAMA 2155/OM