

MAHATHIR - COMMERCE

EMBARGO: FOR RELEASE AFTER 10.30 PM TONIGHT (AUG. 11)

KUALA LUMPUR, AUG. 11 (BERNAMA)-- CERTAIN TRADITIONAL GOVERNMENT PRACTICES WILL BE REVIEWED AND MODIFIED TO ENHANCE THE ROLE OF THE PRIVATE SECTOR, DATUK SERI DR. MAHATHIR ANNOUNCED TONIGHT.

THE PRIME MINISTER SAID THIS WAS IN LINE WITH THE GOVERNMENT'S INTENTION TO STIMULATE PRIVATE SECTOR ACTIVITIES PARTICULARLY IN THE CONSTRUCTION INDUSTRY TO COUNTER THE EFFECT OF THE GOVERNMENT'S ASUTERITY DRIVE.

REDUCED GOVERNMENT SPENDING WILL HAVE A DAMPENING EFFECT ON THE ECONOMY, BUT THE NET RESULT SHOULD BE TO REDUCE THE SLOW-DOWN OF THE ECONOMY AS A WHOLE, + HE ADDED AT A NATIONAL CHAMBER OF COMMERCE DINNER HERE.

HE STRESSED THAT THE GOVERNMENT WAS KEEN TO MAKE MALAYSIA A GREAT INDUSTRIAL AND TRADING NATION AND THERE WAS NO WAY TO DO THIS WITHOUT THE COOPERATION OF THE PRIVATE SECTOR.

+BUT WE CAN SAY WITH EQUAL VALIDITY THAT WE CANNOT ACHIEVE OUR OBJECTIVE WITH A TIMID AND GOVERNMENT-DEPENDENT PRIVATE SECTOR.+
-- MORE 21197AH

N158

MAHATHIR - COMMERCE 2 KUALA LUMPUR

DATUK SERI DR. MAHATHIR SAID THAT AS THE GOVERNMENT WAS EXAMINING THE NEED TO DISCARD CERTAIN AGE-OLD PRACTICES, THE PRIVATE SECTOR SHOULD ALSO TAKE ADVANTAGE OF THE INACTIVITY TO EXAMINE THEIR ROLE AND PRACTICES IN THE PAST.

THERE IS LITTLE DOUBT THAT A LOT COULD BE DONE TO RENDER THE LOCAL COMMERCE AND INDUSTRIES MORE EFFICIENT AND COMPETITIVE ENOUGH TO WEATHER THE ADVERSE CONDITIONS.

THIS INCLUDED AREAS THAT WERE TRADITIONALLY LEFT +TO OUR NEIGHBOURS,+ FOR EXAMPLE MARKETING OF MALAYSIAN PRODUCTS AND THE SO-CALLED INVISIBLES.

ANOTHER AREA IS THE IDENTIFICATION AND STUDY OF NEW MARKETS AS THERE IS A HOST OF NEW BUSINESSSES THAT MALAYSIANS WERE NOT

+THEY HAVE ONLY JUST DISCOVERED FAST FOOD AND FRANCHISING....
BUT IF THEY CARE TO EXAMINE CLOSELY THE ECONOMIC ACTIVITIES
IN DEVELOPED COUNTRIES THEY ARE BOUND TO DISCOVER MANY MORE NEW
BUSINESSES.+

THE PRIME MINISTER SAID THAT THE GOVERNMENT WAS KEEN TO
ENCOURAGE NEW BUSINESSES SO LONG AS MALAYSIANS WERE HONEST AND
OPERATE WITHIN THE LAW. -- MORE 2124/AH

N159 (F)

MAHATHIR - COMMERCE 3 KUALA LUMPUR

DATUK SERI DR. MAHATHIR REGRETTED THAT MALAYSIAN BUSINESSMEN
WERE A TIMID LOT NOT VENTURING INTO ANYTHING UNLESS THEY WERE PROTEC-
TED.

+THIS MAKES THEM STAY AT HOME FOR ONLY THEIR OWN GOVERNMENT
WILL AFFORD THEM PROTECTION. ABROAD THEY CAN EXPECT NONE AND
CONSEQUENTLY THEY WILL NOT VENTURE FORTH TO FACE OPEN COMPETITION.+

THIS ATTITUDE, ACCORDING TO THE PRIME MINISTER, RESULT IN
LOCAL BUSINESSMAN PRODUCING ON A SMALL SCALE FOR THE LOCAL MARKET
AND EXPORTING ONLY THE SURPLUS.

ON THE OTHER HAND, THE NEWLY-INDUSTRIALISED COUNTRIES LIKE
KOREA AND TAIWAN, DESIGN THEIR PLANTS ON A SCALE THAT LOWER
THEIR UNIT COST AND ARE CAPABLE OF SELLING AT LOW PRICES ABROAD
RESULTING IN THEIR HOME MARKET FREQUENTLY NOT BEING SERVED AT
ALL.

HE STRESSED THAT IT WAS TIME MALAYSIANS BECOME MORE ADVEN-
TUROUS AND TEAM-UP AND GO INTO LARGE-SCALE PRODUCTION IN ORDER
TO BE COMPETITIVE IN THE WORLD MARKET.

UNTIL THEY LEARN TO DO THIS THEY ARE NEVER GOING TO GET OUT
OF THE IMPORT-SUBSTITUTE INDUSTRIES. -- MORE 2149/AH

N165

MAHATHIR - COMMERCE 4 KUALA LUMPUR

+IF THE PIONEERS OF THE RUBBER INDUSTRY HAD BEEN TIMID MALAYSIANS, WE WOULD NOT BE SELLING A KILO OF RUBBER OUTSIDE MALAYSIA....THANK GOD THEY WEREN'T,+ HE SAID.

+I AM NOT USUALLY THANKFUL TO THE BRITISH BUT THIS IS ONE INSTANCE WHEN I THINK THEY DESERVED TO BE THANKED,+ HE ADDED IN A LIGHTER VEIN.

DATUK SERI DR.MAHATHIR SAID THE FACT THAT MALAYSIA CONTINUED TO RECEIVE AN APPRECIABLE NUMBER OF NEW INVESTMENT PROPOSALS, AVERAGING 40 PER MONTH, WAS A CLEAR INDICATION THAT THERE WAS CONFIDENCE IN THE FUTURE OF THIS COUNTRY.

THE DEPRESSION CANNOT LAST FOREVER AND INVESTMENTS TIMED TO COME ON STREAM WHEN RECOVERY TAKES PLACE IS GOOD STRATEGY ALTHOUGH RECOVERY MAY NOT COME AS EXPECTED.

HE BELIEVED THAT A RAW PRODUCER LIKE MALAYSIA WOULD NOT BE AS DEVELOPED AS IT WAS TODAY IF RISKS WERE ASSIDUOUSLY AVOIDED.

THE PRIME MINISTER HOPED THAT EMPHASIS BE GIVEN TO MALAYSIAN GOODS FOR LOCAL MARKETS AND CERTAINLY FOR EXPORT. -- MORE 2210/AH
N166

MAHATHIR - COMMERCE 5 KUALA LUMPUR

IN THIS RESPECT HE EMPHASISED THE NEED FOR THE PRIVATE SECTOR TO HAVE THEIR OWN SET-UP WHERE EXTRAORDINARY GOODS AND CONSISTENT QUALITY BE REWARDED.

DATUK SERI DR.MAHATHIR NOTED THAT THERE WERE AMONG MALAYSIANS A FEELING THAT THE GREATEST PROFIT WAS OBTAINED BY REDUCING COST TO THE MINIMUM ESPECIALLY IN PRODUCING PECULIARLY MALAYSIAN PRODUCTS FOR MALAYSIANS.

WHILE SUCH PRODUCTS MAY SELL TO A CERTAIN GROUP OF CONSUMERS, IT IS NOT GOING TO BE SUITABLE FOR OTHERS AND CERTAINLY IT WILL NOT BE SUITABLE FOR SALE IN FOREIGN MARKETS.

THE PRIME MINISTER ALSO TOUCHED ON A FEW INSTANCE WHERE FOREIGN TRADERS WERE CHEATED BY UNSCRUPULOUS LOCAL BUSINESSMEN AND HE SUGGESTED THAT EXPORTERS FORMED ASSOCIATIONS WHICH CERTIFY BONA FIDE TRADERS.

THIS WILL REASSURE FOREIGN IMPORTERS AND REDUCE THE CHANCES OF THE UNSCRUPULOUS FROM CHEATING PEOPLE WHO HAVE ONLY JUST BEGUN TO DO BUSINESS HERE. --BERNAMA 2215/AH