

'Avoid British' policy stays

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MALAYSIAN Prime Minister Datuk Seri Dr Mahathir Mohamad indicated today that Malaysia will maintain its barriers against British exporters.

In an interview published by the Financial Times here today, Dr Mahathir confirmed that the directive issued ten months ago against government purchases of British goods, remained intact.

And in a move seen as more worrying for British exporters, he warned that it will take public commitments from Britain to a change in trading attitudes for the directive to be lifted.

Until now, the city paper pointed out, diplomatic advice to British exporters has

been "to keep heads down and wait for the matter to die a natural death."

Dr Mahathir suggested that this approach is likely to be "disastrous" for British business.

Malaysia is already finding substitute sources for British goods, and the longer the conflict is allowed to drag on, the less likely it is that British will ever win back once lucrative markets, the article added.

Asked about how the choice was made between contracts, the Malaysian Prime Minister told journalist David Dodwell, recently in Kuala Lumpur, that "everything else being equal, or even slightly unusual, we would buy non-British."

"But if the British price

is very low, or there are other reasons like, for example, we have been using British fittings before and just cannot use other fittings, we would still buy British."

He pointed out that the depreciation of the pound against the Malaysian ringgit (from \$5.30 to \$4.30) since the directive came into force, "makes British goods extremely cheap" in terms of local currency.

He continued: "So you are in a very competitive position. Despite the directive, large quantities of British goods are still being purchased by our companies."

The reason for the directive was a series of events which gradually aggravated matters, Dr Mahathir said. "But the straw that broke the

camel's back was the purchase of Guthries," which was followed by accusations in Britain of nationalisation.

"If you understand what is objectionable to us and take measures to remove the irritants, then perhaps we will reverse the policy," the Malaysian Prime Minister explained, adding "I think a sudden change would be noticed."

Britain's High Commission in Kuala Lumpur was quoted by the paper as saying that the directive was estimated to have cost British exporters "tens of millions of pounds worth" of exports.

The paper said that this figure "probably" erred on the conservative side. — AFP.