

N159 (F)  
MAHATHIR-BANKERS  
EMBARGO: FOR RELEASE AFTER 10 P.M. TODAY  
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82 (P)  
KUALA LUMPUR, AUG. 25 (BERNAMA) -- DATUK SERI DR. MAHATHIR MOHAMAD TONIGHT REMINDED MALAYSIANS TO PREPARE AND BRACE THEMSELVES FOR A TOUGH ECONOMIC BATTLE AHEAD AS DEVELOPED COUNTRIES CONTINUE WITH THEIR PROTECTIONISM POLICY AND RETREAT FROM FREE ENTERPRISE.

THE PRIME MINISTER SAID THE COUNTRY WAS PASSING THROUGH A PERIOD THAT WAS AS TRYING AND AS CHALLENGING AS ANY THAT THEY HAVE EVEN ENCOUNTERED SINCE INDEPENDENCE.

+AFTER TWO DECADES AND A HALF OF UNPRECEDENTED GROWTH, WE NOW FACE A CRITICAL PHASE IN OUR DEVELOPMENT THAT IS CHARACTERISED BY AN INCREASINGLY UNCERTAIN - EVEN HOSTILE - INTERNATIONAL ECONOMIC ENVIRONMENT,+ HE SAID.

HE WAS SPEAKING AT AN ANNUAL DINNER ORGANISED BY THE ASSOCIATION OF BANKS AND FINANCIAL INSTITUTIONS HERE.

DATUK SERI DR. MAHATHIR NOTED THAT THE MAJOR INDUSTRIAL COUNTRIES WHICH STILL CONSTITUTED MALAYSIA'S MOST IMPORTANT EXPORT MARKETS, WERE SUFFERING FROM A STUBBORN RECESSION ACCOMPANIED BY AN UNPRECEDENTED HIGH RATE OF UNEMPLOYMENT AND A WEAK BASIC EXTERNAL PAYMENTS POSITION.

-- MORE 1947/AZ

N160 (F)  
MAHATHIR-BANKERS 2 KUALA LUMPUR (EMBARGO)

HE SAID MUCH OF THE UNCERTAINTY AND CONFUSION IN THE ECONOMIC OUTLOOK FOR THE WEST STEMMED PRIMARILY FROM TWO FUNDAMENTALLY CONFLICTING POLITICAL-ECONOMIC PERSPECTIVES.

THEY WERE, THE URGENT NEED TO UNDERTAKE INDUSTRIAL REFORMS WITH NEW CAPITAL OUTLAYS TO INCREASE PRODUCTIVITY, AND ON THE OTHER, A RETREAT FROM FREE ENTERPRISE WHICH HAD REDUCED WORLD TRADE WHILE PROMOTING STAGNATION.

+THERE ARE NO SIGNS YET THAT THE LEADERS OF THE GREAT ECONOMIES ARE ABOUT TO ACT SENSIBLY AND DECISIVELY.

+FOR US IN MALAYSIA, WE WILL HAVE TO PREPARE AND BRACE OURSELVES FOR A TOUGH ECONOMIC BATTLE,+ HE ADDED.

DATUK SERI DR. MAHATHIR SAID THE MALAYSIAN ECONOMY COULD HAVE DONE BETTER IF IT HAD NOT BEEN FOR THE LEGACY OF RACIAL DISPARITIES WHICH FORCED THE GOVERNMENT TO RECOGNISE, WHAT HE TERMED

+THE CONVOY EFFECT+. -- MORE 1950/AZ

N161 (F)

MAHATHIR-BANKERS 3 KUALA LUMPUR (EMBARGO)

THE RATE OF GROWTH, THE PRIME MINISTER SAID, HAS TO TAKE INTO CONSIDERATION THE LEAST ADJUSTABLE MEMBER OF THE GROUP.

BUT, HE ADDED, THIS WAS A WORTHWHILE SACRIFICE FOR IT WAS FAR BETTER TO HAVE A SLIGHTLY DIMINISHED GROWTH THAN TO HAVE RACIAL CONFRONTATION DUE TO RAPID BUT GROSSLY INEQUITABLE GROWTH, HENCE THE IMPLEMENTATION OF THE NEW ECONOMIC POLICY (NEP

+THAT THE NEP IS NOT REALLY RESTRICTIVE CAN BE ASSESSED FROM THE 8 PER CENT GROWTH REGISTERED - A FIGURE WELL ABOVE THOSE OF EVEN THE DEVELOPED COUNTRIES.

DATUK SERI DR. MAHATHIR SAID THAT AFTER ALMOST CONTINUOUS PROSPERITY SINCE INDEPENDENCE, THE COUNTRY ~~NOW~~ FACED THE IMPACT OF THE INTERNATIONAL RECESSION. +WE HAVE TO RECOGNISE THE NEED TO ADJUST.+

+INCREASING PROTECTIONISM AND THE OPERATION OF STOCKPILES MUST BE FACTORS THAT WILL AFFECT OUR ECONOMIC WELL-BEING IN THE FUTURE.

+WE HAVE TO LEARN TO LIVE WITH THEM AND TO OVERCOME THEIR ADVERSE EFFECTS WITH STRATEGIES AND POLICIES THAT ARE SPECIALLY DESIGNED,+ HE SAID.

-- MORE 1955/AZ

MAHATHIR-BANKERS 4 KUALA LUMPUR (EMBARGO)

MALAYSIA, HE SAID, HAS BEEN CALLED A +LUCKY COUNTRY+ BUT LUCK WOULD HAVE VERY LITTLE TO DO WITH THE RESUSCITATION OF THE COUNTRY'S ECONOMY.

+WHAT WE NEED IMMEDIATELY IS SHEER HARD WORK - ON THE PART OF THE MANAGERS AS MUCH AS THE WORKERS, WE MUST BE MORE PRODUCTIVE THROUGH HARD WORK.

+THE FACT IS THAT IN A RECESSION WE HAVE TO TIGHTEN OUR BELTS, AND WE HAVE TO LIVE WITHIN OUR MEANS. EVERY CENT SPENT MUST BE ACCOUNTED FOR, BY THE PERSON INVOLVED, THE COMPANY OR THE GOVERNMENT.+

ON THE ECONOMIC GROWTH, HE SAID THERE WAS A NEED TO STIMULATE INTERNAL GROWTH SO THAT EXPORTS, WHICH WOULD REMAIN THE MAJOR CONTRIBUTOR TO THE GNP, BE REDUCED SOMEWHAT.

TO GET THE ECONOMY MOVING AIAN, DATUK SERI DR. MAHATHIR SAID THE CIVIL SERVANTS, ENTREPRENEURS, FINANCIERS AND WORKERS MUST CHANGE THEIR ATTITUDE AND INJECT STRICT DISCIPLINE SO THAT INCOMES AND THE STANDARD OF LIVING FOR ALL BE RAISED.

-- MORE 2003/AZ

N163 (F)

MAHATHIR-BANKERS 5 KUALA LUMPUR (EMBARGO)

ON THE ROLE OF THE FINANCIAL COMMUNITY, THE PRIME MINISTER SAID THEY HAVE A ROLE TO PLAY ESPECIALLY IN THE CONTEXT OF GETTING THE PRIVATE SECTOR TO ASSUME A LARGER ROLE IN THE COUNTRY'S ECONOMIC LIFE AND IN THE PURSUIT OF PROFITS.

HE URGED THEM TO EXERCISE THEIR SENSE OF PRUDENCE AND SOUND JUDGEMENT IN DISCHARGING THEIR RESPONSIBILITY TO MOBILISE PUBLIC FUNDS IN THE BEST WAY THEY KNEW.

HE ALSO CALLED ON THEM TO ENCOURAGE SAVINGS AND INCULCATE AMONG THE COUNTRY'S YOUNG THE SAVING HABITS. THIS COULD BE DONE BY IMPROVING BANKING SERVICES AND FACILITIES IN ORDER TO ATTRACT MORE DEPOSITORS.

DATUK SERI DR. MAHATHIR REMINDED THE FINANCIAL COMMUNITY THAT THE FINANCING OF ACTIVITIES OUTSIDE MALAYSIA WAS SOMETHING THE COUNTRY CANNOT AFFORD YET ESPECIALLY WHEN RESOOURCES WERE SCARCE.

+I WOULD EXPECT THE FINANCIAL COMMUNITY TO DISCHARGE THEIR RESPONSIBILITY OF CHANNELLING FUNDS TO THE MOST EFFECTIVE USES IN RAISING PRODUCTIVE CAPACITY AND FINANCING ECONOMIC ACTIVITY IN MALAYSIA,+ HE SAID. -- MORE 2006/AZ

N164:

MAHATHIR-BANKERS 6 KUALA LUMPUR (EMBARGO)

HE SAID THE FINANCIAL COMMUNITY SHOULD HELP THOSE WHO WERE ALREADY TAKING STEPS TO CUT UNDUE WASTE AND WERE CONSOLIDATING AND UPGRADING EFFICIENCY IN TERMS OF COST AND PRODUCTS TO PREPARE FOR THE NEXT ECONOMIC UPTURN.

+YOU 6 SHOULD REPAY THE FAITH OF THE SMALL BUSINESSMEN, FARMERS, PLANTERS AND INDUSTRIALISTS WHO HAVE PLACED THEIR CONFIDENCE AND SAVINGS WITH YOU, BY HAVING FAITH IN THEIR ABILITY TO OVERCOME THIS DIFFICULT PERIOD AND EMERGE FROM IT, HOPEFULLY, MORE RESILIENT THAN BEFORE.

+YOUR SOUND FINANCIAL ADVICE AND ENCOURAGEMENT COULD MAKE THE DIFFERENCE IN MAINTAINING THE RESILIENCE OF OUR EMERGING ENTERPRISE. THOSE WHO CAN PASS THE RECESSION PERIOD MUST BE WORTHMY OF YOUR SUPPORT.

+I SAY THIS BECAUSE EXCESSIVE EXCESSIVE PESSIMISM AND UNWARRANTED

RECALL OF CREDIT AT THIS CRITICAL TIME CAN BE AS DAMAGING TO OUR ECONOMY AND TO THE FAITH OF THE BUSINESS COMMUNITY IN THE BANKING SYSTEM, AS UNDUE EUPHORIA IN AN ECONOMIC BOOM.

ON THE RECENT AMENDMENTS TO THE BANKING ACT, 1973, DATUK SERI DR. MAHATHIR POINTED OUT THAT IT WAS TO WEED OUT UNDESIRABLE ACTIVITIES, SUCH AS CORRUPTION, IN THE FINANCIAL COMMUNITY.

-- BERNAMA 2010/AZ

THIRD PARA PLSE READ...

MUST BE WORTHY OF YOUR SUPPORT.....