

Sacrifice now for the dividends in long run: PM Buy now, benefit later

KUALA LUMPUR, Thurs. — Those buying Malaysian goods will have to make some sacrifices in the short term by paying slightly higher prices, but they will collect good dividends in the long run, Datuk Seri Dr Mahathir Mohamad said today.

He said these sacrifices are necessary to provide local industries with a competitive edge which in turn will spur them on to greater efficiency and productivity. This will benefit the economy and ultimately the people.

"I am confident Malaysian consumers will make this initial sacrifice because in the end, the country will progress, quality goods will be produced, the outflow of foreign exchange will be reduced and its financial position will be strengthened, enabling more development projects to be implemented," the Prime Minister said at the launching of the 'Buy Malaysian Goods' campaign at the Kuala Lumpur Hilton.

His speech was read by Trade and Industry Minister Tengku Razaleigh Hamzah.

Dr Mahathir said buying local goods also means buying local services such as insurance, shipping and tourism.

He said manufacturers and industrialists should not exploit the sacrifices made by consumers. Instead they should work diligently improve efficiency and raise productivity so that their products can be sold at a reasonable price.

"With production costs reduced, they will be able to provide meaningful competition (for imported goods)."

The Prime Minister said while the Government would provide the necessary facilities and incentives for the improvement of product quality, manufacturers must produce their goods to meet the standards set by SIRIM.

In developed countries, quality control and standards were usually set by the industries in the sector, without compulsion or legislation.

"I trust local manufacturers will follow the footsteps of their foreign counterparts, and thereby increase consumer confidence in Malaysian goods."

He said as more local goods are purchased, the lesser the country imports, the lesser the drain on foreign exchange, which in turn will improve the country's ba-

lance of payment. It also means more employment opportunities in local industries. This will consequently help to raise the standard of living of the people.

He said industries that are successful and profitable do not mean that only the owners and shareholders will benefit. The whole country will benefit through the payment of income tax by these companies. These taxes in turn will enable the Government to allocate more expenditure for development projects.

MST - 5 APR 1985

Dr Mahathir said industrialised countries, using high technology, mass produce their goods to obtain economies of scale. Besides, most of these countries have a large population which means they have a ready domestic market for the goods.

"Because these countries have already made their profits from domestic sales, they are able to export their products on a small profit margin. Developing countries, which do not have economies of scale in the same products become targets for the dumping of their excess production at very cheap prices."

To protect their products, smaller and poorer nations will usually have to raise their tariffs on imports to such a level for sufficient protection of their industries.