

MAHATHIR SLAMS 'OUTSIDE FORCES'

We'll overcome

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BT 4 NOV 1981

PRIME Minister Datuk Seri Dr Mahathir Mohamad is confident that Malaysia will be able to overcome the current economic recession which he said was engineered by "outside forces" depressing commodity prices and playing havoc with exchange rates.

In a candid assessment of the country's strengths and weaknesses yesterday before participants of a two-day round table on Malaysia organised by the European Economic Management, he said: "Malaysia is not a perfect country. But this country works, this country functions, this country delivers."

On the basis of all the key factors that make up an investment environment, namely, political stability, economic strength, growth potential, infrastructure, incentives, availability of labour, raw materials and the general environment for living and doing business, "very few

countries in the world can exceed what Malaysia can offer," he added.

Referring to the country's present economic problems, he said: "If today we are not doing so well economically, it is not because we have lost the knack of managing our multi-racial country with its myriads of problems, but it is because outside forces have depressed the prices of our commodities and played havoc with exchange rates.

"But we will overcome. We have mapped out a new strategy which will regain for us the kind of economic achievement we have achieved before.

"We have a lot of things going for us, not least of which is political stability and a strong government which has the support of the vast majority of the people."

He was referring to the series of new initiatives and measures relating to foreign equity parti-

cipation, employment of expatriates, incentives, reductions in basic cost factors such as electricity, telephone, telex and even raw materials available in Malaysia.

He said many countries have policies that are more stringent than those of Malaysia.

"Try and get a work permit, an extension of stay, an import licence; try and deal with bureaucrats in some of these countries and you will feel like taking the first flight out," he added.

He said if Malaysia's practices and policies seem irksome, it is because "generally people feel that beggars cannot be choosers.

"We want foreign involvement in our economy while a lot of developed countries do not care for foreign investment. So we cannot be permitted the kind of regulations and bureaucratic obstruction that some countries seem to practise deliberately to

discourage foreigners."

The Prime Minister rebutted reports in some foreign newspapers describing the New Economic Policy as discouraging foreign investors.

He pointed out that all the export-oriented operations that have come to Malaysia and made it a world leader in the manufacture of electronic semiconductors, several rubber products, air-conditioners and others were established after the NEP was introduced in 1970.

"Our Asean friends, quite free from the NEP of Malaysia, are also experiencing recession."

The country is now in the throes of an economic recession because of the collapse of commodity prices which drastically reduced its export earnings and in turn adversely affected demand for all sorts of domestic products and services.

It was no coincidence that commodity producers like Australia, Indonesia, Thailand and

others which were prosperous before also experienced economic recession at the same time Malaysia went into recession.

The fact that the country is holding the NEP in abeyance has nothing to do with the recession.

"The answer is we are not expecting to become as prosperous as we were in the halcyon days of the commodities, merely because there will be more foreign investments. What we are really after is jobs for the people laid off by the fall in commodity prices. The economic cake may not grow much but people must have jobs. They cannot wait for demand for tin to pick up."

The Prime Minister said being a democratic country, Malaysia has the usual quota of malcontents "who will tell you that all is not well with this country and who will exaggerate and suggest dark things for the sake of impressing."