

'Wake up and face reality'

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By HARDEV KAUR

THE deterioration of commodity prices across the board has left Malaysians with two choices — either learn to live within their means or join the ranks of the basket cases and beg for aid so as to live in the style they have grown used to.

Prime Minister Datuk Seri Dr Mahathir Mohamad said: "We Malaysians must have pride. We must face reality. Systematically and with determination we must set about the task of overcoming the problems caused by the collapse of commodity prices."

Opening a four-day national seminar on commodities in Kuala Lumpur yesterday, he said Malaysians should read the signs of the times, adding that there are clearly a lot of things wrong with the commodities trade.

"If we are to continue to produce and export commodities we have to understand the problems and find ways and means to overcome them. Wait-

ing for the cycle to reverse is not enough. For some commodities the good days are over. For others the threat will grow until they, too, collapse," Dr Mahathir said.

"What can we do? What are the signs of the times with regard to the various commodities? Should we continue to produce what is no longer in demand? How much can we absorb ourselves?

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Shouldn't we turn to other commercial activities, manufacturing for example? What are the manufacturing areas that give us the most competitive edge? Indeed, what competitive edge do we have?" the Prime Minister asked.

He added: "If we cannot depend on commodities then obviously we have to reduce dependence on them." But, he warned, a switch will not bring results immediately.

"We are promoting tourism but it will take years before we reap the harvest; if indeed we will. The same applies to any new manufacturing that we may go for. Even low-cost housing, projected to help growth by two per cent, will not achieve that immediately," he added.

Dr Mahathir stressed that something quick is needed. In this respect, he said, the handicraft in-

dustry holds promise. Not only is there demand but it uses a lot of manual labour and production and export of handicrafts may be the answer to the problem of unemployment.

soft because it is so easy to mine or grow our money." In many instances, he said, little thought is given to efficiency and productivity because profits are high. Malaysians, the Prime Minister noted, are happy with outmoded methods and management because "mediocrity is more than sufficient. But big margins are out now. To stay in business we have to continuously lower our costs."

Dr Mahathir said only a small fraction of Malaysian produce is processed locally. "It doesn't seem strange to us that others can buy our produce, transport it to their country, pay tax, process and manufacture and then transport back to our country their products and still sell more cheaply than if we manufacture them ourselves.

"Some of these countries which process and export these products

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Face reality, says PM

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have small domestic markets. Apparently, everyone can achieve economies which we find impossible to achieve. Is it not possible that there is something wrong with us?" he asked.

He cited the examples of the Japanese and Germans, currently the world's economic giants, who not only lost a world war but went bankrupt in the process and yet today are better off than their victors because they made sacrifices. The Japanese worked for a pitance to re-establish their industries, he said.

Of course, Malaysians are not Japanese and Malaysians do not place "such a high premium on sacrifice," Dr Mahathir said.

He added that rapid falls in commodity prices have probably rendered the modest targets set under the Fifth Malaysia Plan beyond reach. The targets, he said, were realistic when the plan was being drawn up.

"If we sit tight and do nothing, if we merely bemoan our fate, or if we just urge the government to do something, we are not going to achieve an-

anything. We have to think of ways and means to overcome the problems the commodities and their prices have dealt us. We have to think of what we can do and not what others can do for us," Dr Mahathir stressed.

Referring to the seminar, he said this is not the time for "woolly thinking and recrimination. We are not interested in scapegoats or apportioning blame." He called on the participants to come up with practical ways and approaches to overcome the problems.