

# Industrial sector to be future economic base: PM

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**KUALA LUMPUR, Wed.** — The Prime Minister has called on local investors to have confidence that the industrial sector could form the country's future economic base.

Addressing the annual dinner of the National Chamber of Commerce and Industry of Malaysia (NCCIM) at the Shangri-La Hotel here, Datuk Seri Dr. Mahathir Mohamad said there is great potential for the sector to be developed.

Last year the country exported \$13.6 billion in manufactured goods and this value is expected to rise to \$15.2 billion this year.

Industrial output now forms the second biggest contributor to the country's gross domestic product (GDP), after the agricultural, farming, forest and fisheries sector.

## Confidence

Though prices of the country's primary commodities had improved recently, these were still lower than in 1984.

He cautioned against the country's excessive dependence on production of rubber, tin, palm oil, timber and petroleum.

This was because in time to come, substitutes for these could be developed.

It was, therefore, part of the

Government's long-term plan to develop the industrial sector, especially for export products.

He urged local investors to have confidence that the industrial sector could form the country's economic base in future, and work towards it increasing its share in the country's GDP.

Some products with potential for development, he said, included Proton Saga car components, electrical and electronic goods, and food products.

On the country's economic performance, Dr Mahathir said that Malaysia's gross national product recorded positive growth last year, even though it was only 0.5 per cent.

This was a good sign compared with the negative growth experienced in 1985.

"We must have confidence in the continued capacity of the economy to be revived," he said. "Only a few of our local entrepreneurs and investors do not have such confidence.

"I hope many more entrepreneurs will have such confidence so that we can all work towards restoring our economy."

On the level of investments in the country, he added that the Trade and Industry Ministry approved various projects with proposed capital investments totalling about \$5,165 million last year.

Of this, one-quarter was foreign equity, and the remaining three-quarters local.

Turning to the chamber itself, the Prime Minister suggested that it develop its own data system to provide more meaningful information on the economic activities of the country such as on the outflow of foreign exchange.

He noted that the country is still exporting its goods to other countries through third countries, particularly Singapore which has become the country's second largest trading partner.

"Though the situation has improved over the years, it is still unsatisfactory," he said.

"Our traders should regard it their duty to export directly to foreign countries so that market and export management expertise can be gained."