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KUALA LUMPUR, 6 JUN⁸⁷ (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD TODAY CRITICISED GROUPS WHO PANIC EASILY WHEN FACED WITH PROBLEMS LIKE THE ECONOMIC RECESSION.

HE HIT OUT AT THOSE WHO WERE +FINE-WEATHER CITIZENS+ AND BECAME UPSET WHEN THEIR LOYALTY WERE QUESTIONED.

OPENING THE GERAKAN'S 16TH DELEGATES ASSEMBLY HERE, HE SAID THE PEOPLE SHOULD ACCEPT THE GOOD WITH THE BAD AND NOT BLAME OTHERS OR THE POLICIES OF THE GOVERNMENT BECAUSE OF CERTAIN PROBLEMS, LIKE THE ECONOMIC RECESSION.

THE PRIME MINISTER SAID WHAT WAS IMPORTANT WAS THAT THE PEOPLE WERE NOT EASILY DISAPPOINTED AND THAT THEY SHOULD AVOID PANICKY AND RASH REACTIONS BECAUSE THIS WOULD ONLY AGGRAVATE THE SITUATION.

HE URGED GERAKAN LEADERS, AS WELL AS THOSE OF OTHER COMPONENT PARTIES OF THE BARISAN NASIONAL, TO BE RESPONSIBLE IN EXPLAINING THE TRUE SITUATION TO THE PEOPLE. -- MORE

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THE PRIME MINISTER SAID THE PEOPLE SHOULD NOT BE EASILY INFLUENCED BY RUMOURS SPREAD BY ANTI-NATIONAL ELEMENTS WHO WANTED TO CLOUD THE COUNTRY'S ECONOMIC ATMOSPHERE.

ON THE OTHER HAND, THE PEOPLE SHOULD HAVE FAITH IN THE MALAYSIAN ECONOMY AND STUDY THE EXACT FACTORS OF THE ECONOMY AND HELP TO ERADICATE THE RUMOURS, HE SAID.

DATUK SERI DR MAHATHIR SAID THE PEOPLE SHOULD BE THANKFUL FOR AND PROUD OF THE DEVELOPMENTS REGARDING THE NATION'S ECONOMY LATELY.

THESE INCLUDED THE FACT THAT:

+ THE PRICE OF MALAYSIAN COMMODITIES AND INVESTMENTS, BOTH FROM WITHIN AND OUTSIDE THE COUNTRY, WERE RISING AGAIN,

+ CONFIDENCE IN THE COUNTRY'S ECONOMIC CLIMATE WAS GROWING,

+ THE NATION'S BALANCE OF PAYMENTS LAST YEAR SHOWED A SURPLUS OF \$4.131 BILLION, AND

+ THERE WAS AN INCREASE OF \$3.883 BILLION IN THE INTERNATIONAL RESERVES OF BANK NEGARA LAST YEAR FROM THE FIGURES FOR 1985. -- MORE
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THIS HAD BROUGHT BANK NEGARA'S INTERNATIONAL RESERVES TO ABOUT \$16.36 BILLION, HE SAID.

THIS WAS THE HIGHEST EVER ACHIEVED BY THE COUNTRY SINCE ATTAINING INDEPENDENCE 30 YEARS AGO, HE SAID.

THE RESERVES WERE EQUIVALENT TO THE NATION'S CAPABILITY TO MEET IMPORTS FOR 7.1 MONTHS, HE SAID, ADDING THAT THE RESERVES AT THE END OF 1985 COULD ONLY MEET IMPORTS FOR FIVE MONTHS.

THE PRIME MINISTER SAID THAT AT ONE TIME THE RESERVES HAD DROPPED TO THE LEVEL OF ONLY BEING ABLE TO MEET IMPORTS FOR 3.5 MONTHS.

HE ALSO SAID THAT THE SURPLUS IN BALANCE OF PAYMENTS OF \$4.131 BILLION LAST YEAR, AN INCREASE OF \$922 MILLION OVER THAT OF THE PREVIOUS YEAR, WAS ALSO A RECORD. -- MORE

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THE PRIME MINISTER SAID TWO STRATEGIES -- REDUCING THE COST OF PRODUCTION OF RAW MATERIALS AND GIVING FOCUS TO THE FIELD OF MANUFACTURING

-- WERE IMPLEMENTED TO OVERCOME THE EFFECTS OF THE SLOW EXPORT OF THE RAW MATERIALS.

HE SAID THAT THOUGH THE GOVERNMENT ALLOWED THE VALUE OF THE RINGGIT TO DROP A BIT TO REDUCE THE COST OF PRODUCTION, THE LOWER RINGGIT COULD INCREASE THE COST OF IMPORTING MATERIALS FOR MANUFACTURING.

EVEN THOUGH THE FALL IN INTEREST RATES COULD HELP, WHAT WAS IMPORTANT WAS THE EFFICIENCY OF MANAGERS TO REDUCE THE COST OF PRODUCTION, HE SAID.

THE PRIME MINISTER WAS CONFIDENT THAT THE COUNTRY WOULD ARRIVE AT A +OPTIMUM MIX+ BETWEEN THE EXPORT OF RAW MATERIALS AND EXPORT OF MANUFACTURED GOODS.

ALTHOUGH THE NATION'S EXPERTISE IN THE FIELD OF MANUFACTURING WAS LIMITED, THIS COULD BE OVERCOME THROUGH JOINT EFFORTS WITH FOREIGN ENTREPRENEURS, HE SAID, ADDING THAT THERE WERE SIGNS THAT THE NATION'S CAPABILITY IN THIS FIELD HAD IMPROVED.

DATUK SERI DR MAHATHIR SAID THE WAY TO FACE THE ECONOMIC RECESSION WAS THROUGH STUDYING IT IN A CALM MANNER, DETERMINING THE REAL REASONS AND DRAW UP MOVES TO COUNTER IT. -- BERNAMA

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