

# Dr M: Economy

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**KUALA LUMPUR, Sat.** — The Prime Minister today dismissed rumours “of the economy being in the doldrums”, citing the all-time high Bank Negara foreign reserves and the balance of payment surplus as among the major indicators of a definite economic recovery in the country.

Datuk Seri Dr Mahathir Mohamad said that the facts (of an economic recovery) are indisputable, contrary to what rumour-mongers with anti-national interests wanted the people to believe.

He said that apart from the all-time high foreign reserves and balance of pay-

ment surplus, the prices of raw commodities are picking up, internal and external investment is increasing and confidence in the Malaysian economy is gaining momentum.

He added that Bank Negara had foreign reserves totalling \$16,358 million last year, sufficient for 7.1 months of imports and the highest ever reserves the country had since Independence.

He explained that Malaysia's foreign reserves had at one time dropped to the equivalent of three and a half months imports while in 1985, it could only pay for five months' imports.

Dr Mahathir said that the balance of payment surplus last year — \$4.131 billion — was also the highest in the country's history.

This surplus was almost \$1 billion more than in 1985, he said.

“Therefore, these facts (supporting the Government's contention that the economy is recovering) are indisputable, contrary to what the rumour-mongers want the people to believe,” said the Prime Minister when officially opening the 16th Gerakan annual delegates meeting at Dewan Bahasa and Pustaka here.

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Barisan Nasional chairman headed the list of top officials from the ruling coalition of Government parties invited to the opening of the two-day delegates meeting.

### Measures

Others among the 33 top Barisan Nasional leaders present included Umno secretary-general Datuk Seri Sanusi Junid, MCA secretary-general Ng Cheng Kiat, MIC president Datuk S. Samy Vellu, Parti Bansa Sabah president Datuk Joseph Pairin Kitingan and Sarawak National Party presi-

dent Datuk James Wong.

Dr Mahathir said that the Government was also looking into other measures to boost the economy, among them cutting down production costs to make Malaysian exports more competitive.

He said that the Government had allowed the ringgit to depreciate slightly recently to reduce production costs.

In addition, it had also switched emphasis from commodities to manufacturing and lower interest rates, he added.

“However, in the final analysis, our efforts towards making our exports competi-

tive will depend on the skills of our managers to bring down production costs.”

Dr Mahathir also said that the Government was working towards an “optimum mix economy” — balancing the dependence on primary commodities with that of manufactured goods.

He said that there were already signs in that direction.

He added that through tie-ups with foreign concerns, Malaysians are gradually acquiring manufacturing skills.

“In the end, we will have an optimum mix (between commodities and manufactured goods) economy.”