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MAHATHIR-ECONOMY

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KUALALUMPUR, DEC 23 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TONIGHT THE GROWTH OF TWO PERCENT IN THE COUNTRY'S GROSS DOMESTIC PRODUCT (GDP) THIS YEAR SHOWS THAT THE ECONOMY IS PICKING UP AFTER SEVERAL YEARS OF SLOWDOWN:

HE SAID THE RECOVERY WAS SPURRED BY ENCOURAGING DEMAND AND PRICES FOR THE COUNTRY'S EXPORTS.

SPEAKING AT THE 14TH ANNIVERSARY DINNER OF THE MALAYSIAN TEXTILE MANUFACTURERS ASSOCIATION HERE, HE SAID THE COUNTRY'S ECONOMY WAS EXPECTED TO CONTINUE TO GROW NEXT YEAR.

HE SAID THE GOVERNMENT EXPECTED DEMAND FOR MALAYSIA'S EXPORTS TO INCREASE MODERATELY AND PRIVATE SECTOR ACTIVITIES TO PICK UP AND HENCE THE GDP WAS EXPECTED TO ENJOY A HIGHER GROWTH NEXT YEAR.

HOWEVER, ECONOMIC GROWTH IN TERMS OF PRODUCT AMONG THE VARIOUS SECTORS WAS NOT BALANCED? WITH SOME SECTORS ACHIEVING 10 PERCENT GROWTH AND OTHERS EXPERIENCING SLOW GROWTH, HE SAID. -- MORE

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DATUK SERI DR MAHATHIR SAID THE MANUFACTURING SECTOR HAD DEVELOPED AT A RAPID PACE, ESPECIALLY THE EXPORT-ORIENTED INDUSTRIES LIKE THE TEXTILE, ELECTRICAL AND ELECTRONIC INDUSTRIES WHICH HAD GROWN BY MORE THAN 10 PERCENT A YEAR.

OF THESE THREE, ONLY THE TEXTILE INDUSTRY WAS OWNED AND RUN BY MALAYSIANS, HE ADDED.

HE URGED THE TEXTILE MANUFACTURERS TO EXPAND THEIR ROLE SO THAT THEY COULD USE THEIR TECHNICAL EFFICIENCY AND MANAGEMENT SKILLS TO MAKE A SUCCESS OF THE INDUSTRIALISATION PROCESS IN MALAYSIA.

MALAYSIA'S CAPACITY TO BECOME AN INDUSTRIAL NATION WOULD BE LIMITED IF THE COUNTRY COULD NOT OBTAIN THE EFFICIENCY IT HAD HOPED FOR IN THE FIELD, HE SAID.

THE PRIME MINISTER SAID THE +LOOK EAST+ POLICY PROMOTED BY THE GOVERNMENT WAS BASED ON THE INDUSTRIAL SUCCESSES OF THE COUNTRIES IN THE EAST LIKE JAPAN, SOUTH KOREA, TAIWAN AND HONG KONG WHICH HAD ACHIEVED RAPID ECONOMIC GROWTH AT A TIME WHEN THE REST OF THE WORLD WAS UNDERGOING AN ECONOMIC RECESSION.

MALAYSIA, HE SAID, COULD EMERGE AS AN INDUSTRIAL NATION IF THERE WAS INTEREST AS WAS PROVEN BY THE SUCCESS OF THE TEXTILE INDUSTRY.

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DATUK SERI DR MAHATHIR SAID THE MAIN PROBLEM TO INDUSTRIAL GROWTH IN MALAYSIA WAS THE OPERATING COSTS.

HE URGE5 THE LOCAL MANUFACTURERS TO LOOK INTO WAYS OF CUTTING COSTS ON THEIR OWN BY IMPROVING MANAGEMENT EFFICIENCY AN5 PRODUCTIVITY AND NOT DEPEND ON GOVERNMENT ASSISTANCE.

THE PRIME MINISTER ALSO URGE5 THEM TO LOOK FOR NEW MARKETS AN5 TO EXPORT THEIR GOODS DIRECTLY TO ENSURE THAT THE GROWTH ACHIEVE5 SO FAR WOULD CONTINUE.

THIS WAS BECAUSE MANY OF MALAYSIA'S GOODS WERE STILL EXPORTED THROUGH NEIGHBOURING COUNTRIES AN5 THIS NOT ONLY REDUCE5 REVENUE BUT ALSO LESSENE5 THE OPPORTUNITY FOR THE PEOPLE TO GET TO KNOW THE MARKET AND IMPORTANT PERSONALITIES IN THE WORLD OF TRADE.

+THE GOVERNMENT HOPES THE EXPORTERS WILL WORK TO INCREASE DIRECT EXPORT OF THEIR GOODS IN FUTURE TO ENSURE GROWTH OF THE SERVICES SECTOR LIKE INSURANCE AND TRANSPORTATION.+

DATUK SERI DR MAHATHIR SAID THE DEFICIT ACCOUNT IN THE BALANCE OF PAYMENTS HA5 INCREASE5 EVERY YEAR AND THE DEFICIT THIS YEAR HA5 REACHED NEARLY \$10 BILLION. -- BERNAMA
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