

Moving on to newer products

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KUALA LUMPUR, Mon. — Malaysia's manufacturing sector will undergo extensive change in the next five years with emphasis on diversification to newer products, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

White products such as semi-conductors and textiles would remain important export items, Dr Mahathir said the production of petrochemicals, including middle distillates and high-technology resource-based products such as polyethylene, should make a strong showing.

"The service sector is poised to be a major beneficiary of the rapid growth of manufacturing. Primarily, this will take the form of business and ancillary services such as advertising," he said.

The growth of the economy can be expected to average between seven and eight per cent over the medium-term. The policies implemented over the previous years had helped lay a strong foundation for more growth, he added.

He said the Government's fiscal strategy had been to contain the role of the public sector, thereby allowing the private sector room to grow.

To create a buoyant private enterprise-based economy, the Government's policy has been to privatise public agencies. The divestment of 246 agencies and enterprises worth about \$16 billion would be given full attention in coming years.

In his keynote address at the 17th Asian Advertising Congress here, Dr Mahathir hoped the advertising industry in Asia would help the growth of Asian economies.

Congratulating the organisers for choosing a forward-looking theme, "Advertising to Power Tomorrow's Powerhouse: Asia", he said it implied a commitment by the industry not only to share in the economic dynamism of the region but also to actively contribute towards it.

He said economic growth was an invigorating creative process and added that the advertising industry's services were needed to establish and enlarge profitable markets within "our countries and outside them".

"Asia's potential is just being discovered. The fact that it is only now that attention is being given by the world's business community implies a lack of information and often of deliberate misinformation about Asian countries," he said.

"In this great information age, it is surprising to see how myths about Asia continue to be highlighted with depressing frequency.

"Asia has been and will be growing faster than other parts of the world in the near future. This has led many analysts to believe it will match the European Community and North America as a market place in the 1990s."

Competitors

Dr Mahathir said although the per capita income in Asia was small, the size of the population and the vast natural resources implied a substantial purchasing power for affordable items.

He said by the year 2000, it had been predicted that Asia's Gross National Product, including that of Japan, would exceed that of the United States and Europe.

"The continent has enormous political, social economic and ethnic diversity and this will not change no matter how rapidly or successfully its economies manage to transform themselves," he said.

"Nevertheless Asia has become self-generating in terms of economic growth as more and more invest-

ments originate from Asian countries. As Asians support each other's growth, they will become their own market as much as they will the world's market."

The Prime Minister said if the 1980s was the decade of the so-called NICs (Newly Industrialised Countries), the 1990s could well be the decade for Asia, adding that the East and Southeast perimeters of Asia enjoyed growing prosperity while the prospects of socialist economies to the North and West of Asia joining their ranks in the future were brighter.

"Some nations, fearing that they will one day have to face Asian countries as competitors, are doing their utmost to keep them at bay. They constantly wag accusing fingers in Asia's direction, saying that its economies have benefited from less than acceptable practices," he said.

"The truth of the matter is that Asian countries have saved, invested and taken entrepreneurial risks while others have lost much of their will to do so.

"Countries of developing Asia are constantly seeking to master the production of goods and services the world wants and to improve upon the technologies which drive them.

"This contrasts with the almost insane urge of some developed countries to consume far beyond what they can reasonably afford and to spend enormous sums of money to hone their technologies for war rather than peace.

"Whereas Asian societies have preserved a solid work ethic, the desire of others to do so has faltered. Whereas the rapidly developing countries pay heed to the imperatives of development, the need for meticulous planning and careful economic policies, others have thrown them to the winds."