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Mahathir-economy

(EMBARGO: For Release after 10pm, Feb 18)

KUALA LUMPUR, Feb 18 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight Malaysia's economy this year and the next few years will not be as good as last year but Malaysians can weather this by being productive, efficient and hardworking.

In an interview in the +Conversation With the Prime Minister+ programme over RTM, he said although the country's economic prospects remained good, a number of its major trading partners were going through recession and this would have an impact on Malaysia as a trading nation.

He said it had to be accepted that sometimes like Malaysia, its trading partners also found it difficult to control the performance of their economy.

+ But at home, we are masters of ourselves. So if we arrange things properly, if we continue to be productive, efficient, willing to work hard, if we are willing to accept programmes that are designed to keep the economy on the right track, I am quite sure we can weather this,+ he said.

Appearing on the talk show with the Prime Minister were Institute of Strategic and International Studies director-general Dr Noordin Sopiee, Bank Ruruh chief executive officer Tan Sri Ramon Navaratnam and Malaysian Institute of Economic Research executive director Datuk Dr Kamil Salih. -- more

♥18/02/15-54MST

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Mahathir-economy 2 Kuala Lumpur (Embargo)

Datuk Seri Dr Mahathir said, however, that Malaysia was in a much better position than most other countries in this region to handle the effects of the Gulf war on the economy but it had now become necessary to understand how much the country should consume, import, produce and how efficiently it should produce its goods.

Malaysia was also fortunate because being a nett exporter of oil, it could cushion the effects of any increase or fall in the price of oil.

He said that when the price of oil went up to US\$40 per barrel, Malaysia did not increase the retail price of petroleum products because had it done so, the prices of other goods and transportation would have gone up.

+ And then when the price of oil comes down, those things are not going to follow the price of oil. They follow only when it goes up, but never when it comes down+.

+ Since we didn't raise the price of oil, despite world prices escalating we have been able to maintain an inflation rate that is manageable,+ he added. -- more

♥18/02/15-55MST

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Mahathir-economy 3 Kuala Lumpur (Embargo)

The Prime Minister agreed to a suggestion that the government appeared to be giving preferential treatment to the foreign investor over the domestic investor but said this was necessary for Malaysia to attract the know-how, expertise and knowledge of the market.

In his view, Malaysians themselves were concentrating only on certain extremely lucrative areas such as developing housing estates and land, planting oil palm, finance and a few other things.

+ They are not keen to go into manufacturing because this is long-term. It takes a long while to produce results and also they do not know the technology or the market. Because of that we still have to continue to spend upon foreign participation in our economy,+ he said.

Datuk Seri Dr Mahathir said if Malaysians themselves were more willing to learn and take risk, the government would give every consideration to the domestic sector and give them whatever privileges they hoped to get.

+ Otherwise we cannot attract foreign investments because they have choices, they can go elsewhere,+ he said. -- more

18/02/16-10MST

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Mahathir-economy 4 Kuala Lumpur (Embargo)

Asked if he thought the New Economic Policy (NEP) would tend to encourage a short-term view on investment rather than involvement in more capital-intensive long-term investment by local investors, given the condition to distribute shares among the locals, the Prime Minister said the distribution of shares to bumiputeras was absolutely necessary to create political stability.

He said apart from the skills to make money, the country required an environment conducive to the making of money.

+ If we have political instability, no amount of skill, no amount of money can be invested. We have seen some countries which have no political stability where people are absolutely good in various areas of business, but they just cannot make it,+ he added.

This element of wealth distribution, he said, represented a little sacrifice by local investors but the government was willing to waive this condition if it was impossible for bumiputeras themselves to take up their share because they did not have the money or the inclination to do so.

He told Malaysians that they had greater responsibility for maintaining political stability in the country than the foreigners." -- Bernama

♥18/02/16-10MST