

Prepare for bad times, PM tells nation

THE economy in the next few years will not be as good as it was last year, Datuk Seri Dr Mahathir Mohamad said.

But he was sure that Malaysians could weather the period by being productive, efficient and hardworking.

He said a number of Malaysia's major trading partners were going through recession and this would have an impact on this country.

"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 in the RTM programme *Conversation with the Prime Minister*.

Dr Mahathir said Malaysia was in a much better position than most other countries in the region to handle the economic effects of the Gulf War.

However, it was necessary to understand how much the country should consume, import, produce and how efficiently it should produce its goods, he said.

The Prime Minister said Malaysia was also fortunate in being a net exporter of oil, and thus able to cushion the effects of any increase or fall in the price of the commodity.

When the price of oil went up to US\$40 (\$108) a barrel, Malaysia did not increase the retail price of petroleum products because other goods and transportation would have cost more had it done so, he said.

"Then when the price of oil comes down, the prices of those things are not going to follow the price of oil. They follow only when

it goes up, but never when it comes down," Dr Mahathir said.

"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.

Dr Mahathir agreed that the Government appeared to be giving preferential treatment to the foreign investor, but said this was necessary to attract expertise and "knowledge of the market."

He said Malaysians themselves were concentrating only on certain

"extremely lucrative" areas such as housing and palm development, oil palm cultivation and finance.

"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 depend on foreign participation in our economy," he said.

The Prime Minister said bumiputra participation in the corporate sector was necessary for political stability.

"If we have political in-

stability, no amount of skill, no amount of money can be invested," he added.

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

Dr Mahathir said Malaysians had a greater responsibility for maintaining political stability in the country than the foreigners.