

PM spells out ways to progress

■ FROM PAGE ONE

Sri R. Navaratnam, and Executive Director of the Malaysian Institute of Economic Research Datuk Dr Kamal Salih.

On the perception that the Government is according preference to the foreign sector, the Prime Minister explained that it is necessary as locals do not have the "know-how, the expertise, the knowledge of the market, to be able to accelerate economic growth on the basis of the domestic sector alone."

Once the foreign expertise is brought in the Government hopes that Malaysians will "come up with new directions in terms of their business activities". Malaysians, the Prime Minister pointed out, are not keen to go into manufacturing as it requires a long while to produce results.

"Because of that we still have to continue to depend on foreign participation. But if we learn, and we are willing to take risks, then I think we will depend less on foreign participation in our economy. At that point in time, of course, the Government will give every consideration to the domestic sector."

On whether a domestic investment initiative can be launched to attract more local investors to go into manufacturing, Datuk Seri Dr Mahathir said: "We have tried to persuade them, and we have succeeded to a little extent. There are more domestic enterprises now in manufacturing than there were before. But it is not enough.

"It takes a little bit of time. Malaysians who have money must accept that it takes time to go into manufacturing, which is why sometimes the Government is forced to go in."

"They would rather buy shares and make money tomorrow. If we have the money why bother. That kind of mentality is still there simply because we don't have that amount of capital or entrepreneurial and expertise for them to fill up a certain sector to the extent they might move up to another sector."

PM SPELLS OUT WAYS TO PROGRESS

Tips on facing competition

By HARDEV KAUR

MALAYSIA cannot avoid competition in an increasingly interdependent world. To grow and progress the country has to trade, compete and aim for higher productivity. A change in attitude is also needed for greater efficiency as there will be no progress if things are stagnant and remain at their conservative level. Increasing productivity is possible as has been proven in the past.

Prime Minister Datuk Seri Dr Mahathir Mohamad said: "In the good old days countries could control their domestic economy completely by limiting foreign transactions with other countries. We cannot be isolationist now. The world is interdependent ... We have to insist that we react not by becoming more protective but by looking more outwards."

Interviewed over RTM last night, the Prime Minister stressed that "there is no

limit to productivity, human productivity". When asked how protection and competition can be reconciled, especially when protection can inhibit competition, Datuk Seri Dr Mahathir said: "Competition to a certain extent is good but a free-for-all is not good. No economy in the world can extend a free-for-all."

On how competition and protection should be balanced, he said: "There is no hard and fast rule. There is no way we can say, 'Well, the moment we achieve this we terminate all protection'. There will be a lot of haggling and bargaining in the process, but we have been able to reduce as you can see. We reduced taxes on imports in the last budget quite considerably. And while people have felt more vulnerable they have to a certain extent adjusted themselves."

The Prime Minister agreed with the

panelists that there is need for progressive liberalisation of the economy adding that "we are in fact doing that, but we have to be judicious. If we are going too far ahead, we may bring the whole process to a halt. Of course, no decision is perfect and there will be people who will say that is too much or too little, but we have to make a decision some time".

During the hour-long special programme the Prime Minister answered questions relating to a wide range of issues, from the country's economic prospects, privatization, Malaysian Inc, and the role of foreign investors to his vision of a successful Malaysia.

The panelists were Director General of the Institute of Strategic and International Studies Dr Noordin Sopiee, Chief Executive Officer of Bank Buruh Tan

Cont'd Back Page, Col. 8