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Mahathir-Trade ''

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KUALA LUMPUR, July 10 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the increasing trend towards having greater liberalisation and deregulation in the world economy makes it +crucial+ for Malaysia to step up efficiency and competitiveness.

There was, he said, a growing trend for policy reforms to liberalise and deregulate and to place greater reliance on the private sector and market forces to direct resource allocations.

+These developments will result in improvements in the efficiency of the world economy as a whole and can contribute towards the expansion of world trade,+ he said when tabling the motion on the Sixth Malaysia Plan (SMP) in the Dewan Rakyat here.

While Malaysia, as an open economy, would benefit from this, it nevertheless called for improved efficiency locally because of the competition for world markets, he added.

Datuk Seri Dr Mahathir said Malaysia's open economy meant that its prospects would be affected by the changes in the world economic environment. -- more

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Mahathir-Trade 2 Kuala Lumpur ''

The persistence of the twin deficits in the United States was still a matter of concern to Malaysia, he said.

These deficits, plus increased demands for funds from other developing nations and the newly liberated economies of Eastern Europe, would put pressures on the availability and cost of investment funds, he added.

Another problem was rising trade protectionism among Malaysia's traditional trading partners stemming from the differences in growth rates among the leading industrialised and rapidly industrialising countries, he said.

Growing bilateralism and regionalism among the major industrial countries and the problems of the Uruguay Round of Multi-lateral Trade Negotiations threaten to result in a more difficult trading environment, he said. -- Bernama

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