

aae

Mahathir - Inflation

BOYCOTT, GOODS IF NECESSARY TO CHECK INFLATION, SAYS DR MAHATHIR

bm

(EMBARGO: For Release after 9 o'clock tonight)

KUALA LUMPUR, Dec 17 (Bernama) -- Prime Minister Datuk Seri Ir Mahathir ~~that~~ said tonight ~~th~~ m e r s have a role in checking inflation such as by boycotting goods with high price tags.

In controlling inflation, both the government and, the consumers had a role to play and they could not just surrender to market forces, he said. over RTM's +Bersama Perdana Menteri+ programme.

The government had a role to play in checking inflation but it could not be denied that consumers too should play their role such as by boycotting if necessary goods which were too costly.

+I feel tha-t Consumers Associations are very' useful. If they concentrate on the question of consumers and hold campaign: not to buy goods whose prices ark unreasonable, I am confident that we can check inflation in our country, + he said when referring to the current inflation rate of about 4.5 per cent.

The Prime Minister said if Consumer Associations concentrated on the question of consumerism without being interested in politicking, they could take various forms' of action beneficial to consumers as inflation would bring losses to the people. -- more

▼08/12/17-07MST

U GE 08-12 00179 ED148

aae

Mahathir - Inflation 2 Kuala Lumpur (Embargo)

Dr Mahathir said certain countries 'were faced with inflation by giving automatic pay increases purportedly to overcome the increase in the price of goods .

+If wages increase, prices 'too increase .This is because sellers have workers who will have to be paid wages. Because seller:; payout higher wages, the prices of goods also increase, + he said.

The Prime Minister again reminded workers in this country of the bad effects arising from the demand for higher wages, as this would increase the cost of goods produced by Malaysia.

+For Malaysia which trades with the whole world, markets wi ll. be stifled if our goods are too costly because of high production costs and high wage:;. If this were the case, the prices of our goods will go up and cannot compete overseas,+ he said.

However, because cost of production and wages were low in Malaysia, countries which 'competed with it for markets were no longer able to do so. -- more

▼08/12/17-24MST

U GE 08-12 00172 ED149

aae

Mahathir - Inflation 3 (last:) Kuala Lumpur (Embargo)

+If there is demand for pay increases when there is less production, this will make us no longer competitive. If we are not competitive, our industry will probably fail, incur losses and will close down and our workers will have no jobs,+ Dr Mahathir said.

Workers' interests were not just, salary increases but also the future of their companies.

+That's why the government is striving to ensure that cost of production in Malaysia does not increase. This is in the interest of workers. Why are foreign investors coming over and investing in Malaysia,+ he asked.

+It's because we are ensuring that production costs do not increase and now there is nearly no unemployment,+ he said.

+We should not be too obsessed with high wages to the extent of forgetting the importance of enhancing the capacity of our industry so that we can continue to compete with other countries,+ he said'. -- Bernama

▼08/12/17-12MCM