

Advice to consumer bodies

POST - 9 DEC 1992

KUALA LUMPUR, Tues. — Inflation can be further controlled if consumer associations discharge their responsibilities fully by focusing on Consumer issues and advising the people against buying unreasonably priced items. **Datuk Seri Dr Mahathir Mohamad** said.

In fact, the Prime Minister said, consumers may even boycott items which are priced too highly. Consumers are extremely important in helping to control inflation and, in this, consumer associations have a big responsibility.

He said: "But sometimes they are interested in politics, not so much on consumer issues. If they can concentrate on consumer issues, and initiate campaigns telling the people not to buy unreasonably priced items, I'm confident we can control inflation in our country."

The Prime Minister said this in a specially televised programme over Radio Televisyen Malaysia tonight. Called **Bersama Perdana Menteri** (With the Prime Minister), Dr Mahathir was interviewed by a panel of senior journalists for about an hour.

He also spoke of the need to maintain industrial harmony and how trade unions can contribute to inflationary pressures. Some trade unionists, in wanting to perpetuate their popularity, often demand high wages believing that such tactics would endear them to their members.

"Of course some members believe that this is so. Look closely and one can see that wage rise is often accompanied by a rise in other production costs," he added. Malaysia, which trades with many countries, would have its market stagnated if the items it produces are no longer competitive because its wages and other costs have gone up, he said.

Dr Mahathir said: "In the end we will suffer because we can no longer sell our products. At the moment other countries can't compete with us because our costs are low making our goods competitive."

"Trade unions from other countries keep telling us to increase the wages of our workers, spinning tales that they are very concerned with local employees. In reality, this is not so. They are actually only concerned with their own welfare."

"They want us to increase our costs of production (to their level) because by doing so their goods can then compete with us. That is why they keep telling our unions to demand for high wages, suggesting that these demands should be backed by industrial action such as a strike or work-to-rule."

"If this happens, then our industrial peace will be shattered, just as our political stability will be affected. Should this happen, then we will lose our competitiveness and other countries will enjoy the benefits. We will lose and they will gain."

The Prime Minister reasoned that workers' welfare must be taken into account, but this should not be done only by increasing their wages. If wages are raised to a level which will render goods being produced uncompetitively, the industry will suffer and workers may lose their jobs.

Wages can be raised but this must be accompanied by productivity increases, he said. Therefore, it is obvious that workers' welfare is not based solely on wages but in the well-being of their companies as well.

"That is why the govern-

ment does not want to see production costs going up so high," he said.

The Prime Minister also reminded shareholders not to be obsessed with the quest for big profits only. Profits can bring more benefits if they are shared and re-invested in areas such as research, promotional work and proper marketing strategies.

Shareholders therefore should always monitor the performance of their company and ensure that it survives for a long time. As for managers, Dr Mahathir said they should not be engrossed in only trying to improve their salary and ensuring that shareholders enjoy big dividends.

The Prime Minister said the country needs quality shareholders who can help determine whether a company lasts or not. Managers and shareholders who are only giving their attention to their income, bonus and share allocation will be inviting trouble to their companies.

"Even if the companies are doing well, those who take too much of the profits for themselves should be replaced with others. That's what I feel," he added.