

# PASS ON GAINS, PM TELLS TRADERS

By MARK KONG

**KUALA LUMPUR: Importers and traders must pass on the gains of lower import prices down the line instead of taking advantage of the strong ringgit to make wind-fall profits, said the Prime Minister.**

"The Government views seriously the need to strictly enforce the competitive pricing behaviour among traders, to bring down costs in the economy for the benefit of producers and consumers alike." Datuk Seri Dr Mahathir Mohamad said.

Speaking at the 14th annual dinner of financial institutions last night, he said any remaining barriers and rigidities preventing the free flow of goods and services must be liberalised or deregulated.

"At the same time, the pricing behaviour and the efficiency of the price discovery mechanism will have to be closely monitored and improved upon," he added.

Dr Mahathir said passing on lower costs to consumers would have a multiplier effect. Inflation would be controlled and pressure for higher wages would ease for the benefit of importers of raw materials and producers of manufactured goods.

"The net result is that we will remain competitive in the domestic as well as the export markets," he said.

He called on workers not to indulge in the "old-fashioned wasteful confrontational labour practices" that would lead to a useless wage-price spiral.

"Producers too must not exploit the imperfections in the market regime to generate fat profits at the expense of consumers," he said.

The Prime Minister said if good economic sense could not be made to prevail, the Government may have to step in.

"This is not a good solution as the implementation of regulations is seldom free from abuse. When this happens, the community and the nation will suffer," he said.

On frauds, he said banking institutions lost \$600 million in 193 cases last year compared to less than \$30 million in 778 cases in 1990.

He stressed the industry had no room for complacency as any laxity would only entice the criminality-inclined to test the controls of an institution, and affect public confidence.