

# Purchasing power is what counts: PM

By SHARIF HARON

THE Government is willing to work with consumer associations to curb profiteering, including boycotting goods made by stubborn producers. However, an in-depth study must be undertaken before consumer associations suggest such drastic action be taken.

Prime Minister **Datuk Seri Dr Mahathir Mohamad**, speaking at the launch of World Consumer Day in Kuala Lumpur yesterday, said if such extreme measures are hastily taken, the credibility of consumer actions can be affected.

He reminded the associations that such actions can adversely affect the nation's economy and, subsequently,

the consumers themselves.

The Prime Minister pointed out that an increase in income is meaningless if the prices of goods and services rise in tandem. What is important is not an increase in income per se but what can be bought with the income.

If an increase in income is accompanied by a rise in purchasing power, then the standard of living improves. But if as a result of increased prices or inflation, the higher incomes can only purchase the same amount of goods as before, then the standard of living has not improved.

The Prime Minister called for closer cooperation between the private and public sectors to create a community that is well aware of the

importance of consumerism.

He said, among other things, the Government and the private sector can jointly protect the interest of consumers by controlling costs and quality, which can be derived from improved efficiency in the production and transportation of goods, price control, security, standards and environmental protection.

Suppliers, distributors and retailers must realise that the control by the Government is not only for the good of consumers but also theirs.

"It is safer to receive moderate profits over the long term rather than opt for short-term gains," he said, adding that big profits can lead to increased costs,

which in turn can lead to reduced profit margins and may also result in fewer customers.

The Prime Minister suggested that major companies set up a self-regulatory mechanism to solve consumer problems, adding that problems faced by consumers can be easily resolved if the private sector has such a mechanism.

Major companies can set up a special unit to undertake the responsibility while in the case of the smaller ones, the responsibility should be shouldered by the owners themselves, Dr Mahathir said.

Such measures, he added, can develop a private sector which is more sensitive to its role as a good corporate citi-

zen. Dr Mahathir said the private sector's involvement with the Government in protecting consumers is in line with the Malaysian Inc concept which is aimed at establishing a mature and responsible private sector.

Steps to protect consumers are important in ensuring that they obtain returns to reflect the amount of money spent. "It will be useless if the country prospers but the people cannot afford to enjoy the benefits of progress," he said.

Dr Mahathir advised consumers not to be excessive in demanding their rights as not all companies are irresponsible and greedy. He said, to a certain degree,

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consumers must be willing to absorb costs. For instance, if the quality of goods or services is to be upgraded, the costs will also go up.

The Prime Minister said that consumers' problems can be reduced or even overcome if they discard the "dual personality" attitude.

He said many have forgotten that consumers and suppliers are one and the same but act differently when adopting different roles. When they become the suppliers, they do not give much emphasis to the quality which they demand when they are the consumers.

"As such, someone who is a supervisor, shop assistant, factory worker, contractor or a reporter, often does not give much consideration to the services or goods provided by him.

"But when he requires the services of others or when purchasing certain items, he changes into a consumer who is very critical of the type of services provided or of the goods he has bought!"

The Prime Minister said Malaysia has become a member of the Paris and Berne conventions in intellectual property because it

wants to ensure that goods marketed in Malaysia are of high quality. The short-term effect of such action is that consumers may have to pay higher costs but in the long run, it can provide a positive effect towards the process of transfer of technology.

He added that the production sector should take this opportunity to obtain as many patent rights as possible and to embark on production agreements with foreign partners to enable more goods to be produced in

Malaysia.

Dr Mahathir said the improved economy has enabled the people to enjoy a better standard of living, especially between 1970 and 1990.

For example, he said, the number of television sets per 1,090 people had increased from 22 in 1970 to 100 in 1990 and for vehicles, from 26 per 1,090 population in 1970 to 96 in 1990.

He said the people's average monthly household income has risen from RM264 in 1970 to RM1,163 in 1990.

