

But consumer associations must first make in-depth stud

PM: Boycott if necessary

NST 5 MAY 1993

By Manan Osman

KUALA LUMPUR, Tues. — The Government is willing to work with consumer associations to curb profiteering, including boycotting goods manufactured by stubborn producers, Datuk Seri Dr Mahathir Mohamad said.

However, consumer associations must undertake an in-depth study on this before taking such drastic action, the Prime Minister said.

Dr Mahathir added that if such extreme measures were hastily taken, the credibility of consumer actions could be affected. He also reminded the associations that such actions could also adversely affect the nation's economy and subsequently the consumers as well.

then lead to reduced profit margin and might also result in fewer customers.

Dr Mahathir also suggested that major companies set up a self-regulatory mechanism to solve consumer problems.

He said problems faced by consumers could be easily resolved if the private sector had such mechanism.

For major companies, a special unit can be set up to undertake the responsibility while for the smaller ones, the responsibility should be shouldered by the owners themselves.

Such measures, he said, could develop a private sector which was more sensitive of its role as a good corporate citizen.

He added that the private sector's involvement with

Dr Mahathir was speaking at the launch of the World Consumer Day at the Pusat Islam auditorium here today. This is the second consecutive year that Malaysia is celebrating the international event which falls on March 15 every year.

The Prime Minister also spoke on the need for closer co-operation between the private and public sectors to create a community which is well aware of the importance of consumerism.

He said, among others, the Government and the private sector could jointly protect the interest of consumers by controlling costs and quality which could 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 control by the Government was not only for the good of consumers but also theirs.

"It is safer to make moderate profits in the long term rather than opting for short-term gains," he said adding that big profits could lead to increased costs.

Increased costs would

the Government in protecting the consumers was in line with the Malaysian Incorporated concept which was aimed at establishing a matured and responsible private sector.

He said steps to protect consumers were important in ensuring that they received returns to reflect the amount of money spent.

"It would be useless if the country prospers but the people cannot afford to enjoy the benefits of progress," he said.

Dr Mahathir also advised consumers not to be too excessive in their demand for their rights because he said not all companies were irresponsible and greedy.

He said to a certain degree, consumers must be willing to absorb costs. For instance, if the quality of goods or services was to be upgraded, the costs would also go up.

The Prime Minister added that consumers' problems could be reduced or even overcome if they discarded the "dual personality" attitude.

He said many had forgotten that consumers and suppliers were one and the same but acted differently when adopting different

roles.

When they become the suppliers, they do not give much emphasis to the quality which they demanded when they were the consumers, he said.

"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 provid-

ed 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 had bought," Dr Mahathir added.

He also said that Malaysia had become a member of the Paris and Berne conventions in intellectual proper-

ty because it wanted to ensure that goods marketed in Malaysia was of high quality.

The short-term effect of such action is that consumers might have to pay higher costs but in the long run, it can provide a positive effect towards the process of transfer of technology.

He said the production sector should take this op-

portunity to get as much 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 had also 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 1,000 people had increased from 22 in 1970 to 100 in 1990 and for vehicles, for every 1,006 people, the number had increased from 26 in 1970 to 96 in 1990.

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