

# LOW COST OUR EDGE, SAYS Dr M

PM: Productivity  
must match  
robust economy

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SHAH ALAM: The country must safeguard its low cost to be competitive, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

He stressed yesterday that this was Malaysia's edge against developed nations which had the capital, technology, expertise and many other advantages.

Dr Mahathir said the productivity must increase and keep pace with the present robust

economic growth.

"If productivity remained low and wages high, we will not be competitive against developed nations," he said.

He was speaking after opening the Usra Tampi Sdn Bhd which makes parts and components for Proton Saga cars.

On the influence by foreign labour organisations in local labour centres, Dr Mahathir said "it would be a good move" if MTUC had changed its stand to associate itself with foreign labour organisations which wanted to cripple the country's growth.

"We hope MTUC will observe this new stand firmly because this will help our workers to get better wages and increase investments," he said.

He added he was willing to meet MTUC officials.

"We are aware of the moves by foreign labour organisations aimed at increasing our cost so that we cannot compete with them.

"As a result, our industry will be crippled and our workers will be jobless or get low wages," he said.

Dr Mahathir also said he was happy with the

progress of the supporting industries in the automobile industry but wanted to see the sector grow further.

"We want all parts and components of Proton Saga and the second national car to be manufactured locally and to see that local companies also export their automobile parts," he said.

Earlier, in his speech, Dr Mahathir said many bumiputra companies were now able to successfully operate their business without government assistance.

On the local automobile industry, he said the sector had achieved success although its objective was to meet the replacement market.

Now there were about 200 companies making components for the car industry and more than 60 per cent of Proton Saga parts were made locally.

He said owing to the size of the domestic market, car component industries should enter the Asean market via the Asean Complementation Scheme, the Asean Industrial Joint Venture Scheme and the Common Effective Preferential Tariff Scheme.

Dr Mahathir said with the tariff preferences provided by the schemes, local manufacturers would have the edge over those outside the region.