

Maintain edge over developed countries, says Dr M

By K.P. Waran

SHAH ALAM, Fri. — Malaysia must maintain its comparative advantage for its products in the international market so that it can carve a larger niche and help continue the nation's march towards industrialised status.

Prime Minister Datuk Seri Dr Mahathir Mohamad, in making the call, said Malaysian manufacturers must keep production costs low, increase productivity and continue to acquire new technologies to ensure that they did not lag behind their competitors from developed countries.

"We have the competitive edge and the comparative advantage to take the lead in the manufacturing sector and should maintain them," he told newsmen after opening Usra Tampi (M) Sdn Bhd.

Usra Tampi manufactures plastic car components and is a major vendor for the national car. It has also been awarded contracts to supply parts to foreign car companies.

Also present at the opening ceremony were Deputy Minister of International Trade and Industry Chua Jui Meng, executive chairman of Usra Tampi Abdul Shukor Mohamed and the company's general manager Mohamed Amin Mohamed Akhir.

The Prime Minister attrib-

uted Malaysia's edge over other countries to the relatively low cost of living in Malaysia.

He quoted the *Economist's* Big Mac Index which had stated that the McDonald's "Big Mac" was sold in Malaysia at one-quarter the price of that sold in many developing countries.

He said with the low cost of living, aided by the efficient workforce which did not demand excessive wages, Malaysia's economy would continue to grow.

He said the Government realised that certain foreign trade unions had been trying to instigate Malaysian workers to demand higher wages so that production costs here would escalate.

"If this happens, we cannot compete with them and this would cripple our industries and more of our Yorkers would be unemployed.

"Although in developed countries the workers are paid higher wages, they also have to fork out more money for their essential items. This is not beneficial to them," he said.

Dr Mahathir said salaries of Malaysian workers had been increasing because of

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Step up efforts, makers of car parts told

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more job opportunities and industries were competing to get workers and some employers were willing to pay more.

"To have continued economic growth, we cannot increase wages without increasing productivity as we will lose our competitive edge. Developed countries with many advantages including high technology, capital, expertise and a market for their products would be able to compete with us," he said.

Earlier, in his speech, Dr Mahathir called on car component manufacturers to step up their efforts to further penetrate the export market.

He said since Malaysia's market was relatively small, the manufacturers should take advantage of the Asean Complementarity Scheme, Asean Industrial Joint Venture Scheme and the Common Effective Preferential Tariff Scheme to open up new markets in Asean.

He said with the tariff preferences under these schemes, local producers would have an edge over manufacturers from non-Asean countries.

He said the Proton Saga project had helped establish a variety of support industries which could be further

expanded when the second national car project is implemented.

"But the manufacturers should plan to export their products to other countries as well," he added.

Dr Mahathir said there were now 200 companies producing various components and to date, over 60 per cent of the Proton Saga cars were using locally produced parts while locally assembled motorcycles had 72 per cent local content.

He said the car component industry had a bright and encouraging future and congratulated Usra Tampi for its success in producing plastic injection moulded components which met the standards set by Proton.

He added that Usra Tampi's involvement in producing parts for JVC and other multinationals and the export of its components to Indonesia and Taiwan should be emulated by other manufacturers.

Abdul Shukor, in his speech, said the company was poised to scale, new heights with the commissioning of its new 48,000 square feet plant in Shah Alam equipped with the latest injection moulding machines.

He said Usra Tampi was part of the diversified Usra group of companies which had interests in property development, manufacturing, construction and professional services before entering the relatively new field of thermoplastics and elastomers.

He said the company's highly trained and efficient engineers and technicians also contributed to the development of a number of precision plastic components for the automotive, electrical, electronic and packaging industries.