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Review-Trade

MORE EFFORTS TO SECURE MARKET ACCESS FOR M'SIAN EXPORTS

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Kuala Lumpur, Dec 16 (Bernama) — Increasing efforts will be made to ensure greater access for Malaysian exports to existing and new markets, according to the mid-term review report of the Sixth Malaysia Plan.

The report said the export of services would also be promoted to diversify the exports base and to reduce the deficit in the services account of the balance of payments.

Trading and investments with South markets would also be enhanced, according to the report which was tabled by Prime Minister Datuk Seri Dr Mahathir Mohamad in the Dewan Rakyat today.

The report said the external trade sector was expected to moderate over the next two years because of slow growth in external demand, with exports of goods and non-factor goods growing at an estimated 11.7 percent against 14.5 percent during the past three years.

On the domestic side, the sector is expected to remain buoyant, expanding at 11 percent per annum concurrent with increasing income. -- More

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The launch of the Visit Malaysia Year 1994 campaign and expansion of domestic tourism would also provide stimulus to this sector's growth.

The report said the wholesale and retail trade services, would however, need to be progressively upgraded to meet growing demand with the increasing income and affluence.

"There is also a need for the sector to be more competitive, especially with the anticipated liberalisation of the trade in services," it said.

It added that a national policy on distributive trade would be formulated to ensure this sector was competitive.

Small traders would continue to obtain credit from commercial banks and finance companies, it said, adding that the Credit Guarantee Corporation (CGC) would continue its existing efforts.

A new scheme requiring each bank to adopt a number of traders and provide them with financial assistance and advisory services, would be introduced. -- More

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The Federal government revised upwards the allocation for trade under the Sixth Malaysia Plan from RM658.8 million to RM694.0 million to strengthen and modernise the trade and administrative services as well as training and consultancy services and boosting support to expand international trade.

Of the total allocation, expenditure in the first three years of the plan period is estimated at RM211.6 million with a balance of RM482.4 million available for the remaining two years.

Malaysia's external trade performance expanded at an average of 14.5 percent between 1991 and this year, higher than the targetted growth rate of 11.6 percent. Imports grew by 13.1 percent per annum,

By 1993, the share of exports and imports to gross national product had grown to 83.7 percent and 78.6 percent, respectively, the report said, adding that it reflected the openness of the Malaysian economy. -- More

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Asean, the United States, Japan and the European Community nations remained the major export markets, accounting for 75.2 percent of gross exports in 1993. However, exports to South countries registered significant growth of 17.6 percent over the three-year period.

Asean alone accounted for a quarter of Malaysia's global trade, increasing by 13.5 percent per annum to RM55.6 billion in 1993, of which Singapore accounted for about 80 percent.

As for domestic trade, the report said this sector registered an average growth of 11.7 percent during the review period compared with 9.0 percent projected under the plan.

It added that during the period under review, public sector agencies continued to play a significant role in providing assistance to Malaysian exporters and foreign importers of Malaysian products.

During the remaining two years of the plan, the trade as well as finance and tourism sectors would gain more prominence and contribute significantly to gross domestic product.

"Trade policies will be continuously monitored and reviewed, especially within the context of the uncertainties in the global trading environment," it said. -- Bernama