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Mahathir-Dialogue

GO FOR WORLD MARKET, PM TELLS LOCAL MANUFACTURERS

KUALA LUMPUR, May 6 (Bernama) -- Local manufacturers must emulate foreign companies which invest in Malaysia and look to the world as a market instead of confining themselves to the small domestic market, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said big foreign corporations that target the world market were taking full advantage of Malaysia's incentives, low inflation and low labour costs to manufacture and export their products.

Malaysian manufacturers, on the other hand, were still eyeing the local market and asking for protection and incentives from the government, he told about 700 private sector representatives in a three-hour dialogue here.

He said manufacturers must also cut down on the use of labour by using more automation in view of the existing labour shortage which had already brought a million foreign workers into the country.

"We have to reduce the dependence on labour and use more automation and robotics to cut down the fat and yet maintain quality of our products," he said.

Dr Mahathir said local manufacturers must realise that the domestic market would never be big enough, adding that Malaysia is already one of the biggest trading nations of the world with total trade of US\$152 billion in 1995.

He said the Seventh Malaysia Plan to be tabled in Parliament today will provide a distinct change in direction for the country to take a big leap forward to achieve economic strength and developed status in the new millennium under Vision 2020.

The Plan would, among other objectives, seek to simultaneously solve the problem of workers' shortage and reduce the dependence on foreign labour as well as overcome the current account deficit.

The Prime Minister said the number of foreign workers was not healthy for the country in the long run because it would create more problems once they have stayed here for a length of time.

"They are going to make demands. Now they are docile but later they will want the right to become citizens like what is happening in Germany with the Turkish workers.

"We are going to have problems on our hands. Managing a country with three big ethnic groups with different religions, cultures and colours is already a big problem," he said drawing laughter from the floor.

Dr Mahathir disagreed with a suggestion from the floor to follow the intensive labour practice of some West Asian countries where foreigners make up as high as 50 per cent of the work force.

Describing it as a bad model, Dr Mahathir said Malaysian manufacturers should emulate their Japanese counterparts and be less labour-intensive and rely on local workers.

He said they should re-examine the deployment of workers and use of automation so that some workers could be released and used elsewhere.

International Trade and Industry Minister Datuk Seri Rafidah Aziz was also present at the dialogue which was held for the first time last year.

-- BERNAMA

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