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Affifuddin-Economy

ECONOMIC STABILITY WILL BE MAINTAINED, SAYS AFFIFUDDIN

PETALING JAYA, Oct 7 (Bernama) -- Deputy Finance Minister Datuk Dr Affifuddin Omar today reiterated the government's resolve to do all it can to overcome and manage the current economic problems facing the country.

He said past records showed that Malaysia had overcome far more difficult economic problems.

"The government is rectifying those factors affecting the economy. It is not a great problem as the country's fundamentals are sound," he said when opening the Safeguards Corporation Bhd's "Security Centre" here.

He said that the country's fundamentals had been further reinforced by its political stability.

"We need not worry...the national savings rate is still strong at 39 per cent of gross national product (GDP), inflation is around 3 per cent and we have an adequate and healthy foreign reserves position, able to finance four months of retained imports," he said.

On the country's investment climate, Dr Affifuddin expressed confidence that foreign investors, said to be staying away from Malaysia, were in fact monitoring the country closely and would gradually enter the local markets and thereafter the situation would return to normal.

He also called on the people and business enterprises to heed Prime Minister Datuk Seri Dr Mahathir Mohamad's call to be more disciplined and prudent in their spending.

"This means that in facing economic problems, we need to be patriotic and a little bit authoritarian," he said in stressing the need for belt-tightening measures for the common good.

In overcoming the country's economic problems, Dr Mahathir had said Malaysia would import less to ease the current account deficit balance of payments position.

At a news conference later, Dr Afiffuddin said the number of foreign workers in manufacturing would reduce with the government's recent decision to defer big projects.

However, the government would continue to implement strategies to develop and further consolidate the economy by fully maximising the workforce.

Dr Afiffuddin also refuted claims that the RM2 billion outflow of funds by foreign workers was high and a loss to the country.

"We must look at it relatively...using foreign labour is cost-effective as their contribution to national income was even much higher, amounting to billions of ringgit," he said.

He also believed the rapid increase in automation in manufacturing activities would gradually lessen the need for foreign workers.

Dr Afiffuddin also said that the wage level was at a healthy level, but added that productivity through Total Factor Productivity should be raised to narrow the gap between wages and productivity.

-- BERNAMA

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