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Look at fundamentals of economy, urges Koh

A. Kathirasan

PENANG, Fri. - Chief Minister Tan Sri Dr Koh Tsu Koon today urged Malaysians to look at "fundamentals, not sentimentals" of the economy and the stock market in their business dealings.

He said the economic fundamentals were strong and advised the public to read the financial pages of the local dailies.

He said many of the companies listed on the Kuala Lumpur Stock Exchange were strong and recording good profits. The people should look at the facts and figures and not listen to rumours.

"I urge the people to look at the fundamentals and not allow themselves to be swayed by sentimentals. I believe the stock market will steadily move upwards."

Speaking to reporters after attending the 80th anniversary celebration of the Sekolah Menengah Chung Ling, Koh said everyone should support the measures announced by Prime Minister Datuk Seri Dr Mahathir Mohamad and the Federal Government to address the weakening ringgit and the stock market decline.

Asked if Penang was affected, Koh replied that like all other States, Penang had also felt the effects.

"However, we are better cushioned. Fortunately, over 55 per cent of our economy is given to manufacturing and the bulk of this is export-oriented.

"Over the last few years, the State Government has been emphasising on increasing the local content in manufactured goods and this is helping us cushion the bad effects.

"Also, the electronic sector picked up during the first six months of the year and factories here have been inundated with orders."

The tourism sector, the second top revenue earner after manufacturing in the State, is expected to benefit from the weakening ringgit.

"The weak ringgit may encourage foreign tourists to come here. However, our import-dependent industries such as the feedmill and steel industries have been adversely affected, as has our property market.

"But again, the Federal Government's measures have helped cushion these effects.

"And we are pushing ahead with our strategy of increasing local content in products, pushing exports and encouraging tourism. This will help the State economy greatly."

In this context, he said, it was vital to speed up the construction of the Malaysia Airports Berhad's RM60 million air cargo complex in Bayan Lepas to increase the State's export capability.

"The present cargo complex at the Bayan Lepas International Airport is bursting at its seams. The tender process for the new complex is in the final stages and we expect it to be ready by the end of next year."

Koh said Penang's mega projects, such as the Penang Outer Ring Road and the Butterworth Outer Ring Road - which cost a total of more than RM1 billion - will be implemented after close monitoring of the situation.

"I cannot say yet if they will be affected in any way. We will monitor and assess the situation as things proceed. They are both Federal projects."

Koh, a former pupil of Chung Ling, was presented with a large photograph of himself in a science laboratory conducting an experiment with other pupils 31 years ago, by the chairman of the school board, Datuk Ong Hoo Kim.

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