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PM: Clearer idea on tackling economic issues

Kamarul Yunus

THE public and the private sectors now have a clearer idea of what they should do to tackle various economic issues, including the balance of payment deficit, Prime Minister Datuk Seri Dr Mahathir Mohamad says

The Prime Minister, speaking to reporters after chairing a three-hour meeting of the Malaysian Business Council in Kuala Lumpur yesterday, said the council - comprising high-powered corporate leaders - studied various working papers on the country's balance of payment deficit.

"The recent reduction in the country's trade deficit was also explained; the reduction was partly due to the yen's depreciation," Dr Mahathir said.

Bank Negara and the Treasury presented papers on the country's balance of payments situation, including the explanation for the reduction in the trade deficit.

Bank Negara presented a paper specifically on the services sector, and the Treasury on the overall balance of payment situation.

The meeting also discussed other points, including the services industry such as shipping, transport and insurance, and "how they contributed towards the deficit", Dr Mahathir said.

The Statistics Department's figures on trade released on Tuesday showed that the country registered an external trade deficit of RM617.974 million in 1996, down 93.4 per cent or RM8.7 billion from a deficit of RM9.358 billion in 1995.

The deficit is significantly lower than the 1996/1997 Treasury Economic Report forecast of a RM5.2 billion shortfall.

The department said exports totalled RM196.691 billion in 1996, up by 6.3 per cent or RM11.7 billion, while imports amounted to RM197.309 billion, up by 1.5 per cent or RM3 billion from 1995.

Besides the balance of payments situation, Dr Mahathir said, the business council also discussed various economic issues, including Information Technology (IT) and ways for the Government to do business.

Asked whether there was any request to extend privileges given to the expatriates outside the Multimedia Super Corridor (MSC), Dr Mahathir said: "There was be no discussion."

Bernama reports: Datuk Francis Yeoh, managing director of YTL Corp Bhd, described the meeting as useful for the public and the private sectors to get feedback.

The meeting enabled the private sector to know the Government's stand on various policies and allowed the Government to evaluate private sector ideas in a pragmatic way, he said.

For instance, he added, if the Government wanted to introduce any rules or regulations the private sector would be able to provide its input.

"At least there will be a reality sift on an idea," he said in reference to putting ideas to a "practicality" test.

Yeoh said the meeting also discussed the social responsibilities of the private sector in nation-building.

"The private sector may have a lot of ideas (on business) but sometimes it may lose its aspirations on social responsibilities. So, rather than focus on economic issues alone, the meeting was told that the private sector should also concentrate on the various social ills confronting the country," he added.

Yeoh said it is good to be aware of these matters and how the private sector can contribute.

Commenting on the discussion on IT, Encik Ismail Sulaiman, managing director of Mesiniaga Sdn Bhd, said the Prime Minister stressed the importance of IT and the MSC.

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