

20 JAN 1998

Mahathir-Price

BE PREPARED FOR PRICE HIKES, SAYS MAHATHIR

KUALA LUMPUR, Jan 20 (Bernama) -- Datuk Seri Dr Mahathir Mohamad today asked the people to accept the reality and be prepared to face the possibility of a price hike for several essential goods after the Chinese New Year and Hari Raya festivals end of this month.

The Prime Minister, however, said a thorough study would be made by the National Economic Action Council (NEAC) headed by him before a decision was made on the price hikes.

" Goods which can be retained at its old price, we will maintain but if it is not possible, we will study (to allow price increase) as nobody will like to subsidise for others. It's not the work of traders.

" Hence, the people must be prepared," he told reporters after opening the Institut Profesional Baitulmal, here.

Earlier, Dr Mahathir and his wife Datin Seri Dr Siti Hasmah Mohd Ali broke fast with the audience.

Among those present were Minister in the Prime Minister's Department Datuk Dr Abdul Hamid Othman, his deputy Datuk Dr Ibrahim Saad, Terengganu state executive councillor Datuk Dr Yusof Nor and corporate leaders.

Dr Mahathir said the government and the people could not deny the fact that Malaysia was facing the problem of price hikes due to the ringgit depreciation as many of the goods were imported.

Hence, importers cannot sell at the old price as they would lose but " if we allow them to raise prices, consumers will complaint," he said.

He said the people must accept the fact that nobody would import goods at a lose.

" What's important is that we cut down on the use of imported goods," he said.

Dr Mahathir said price hikes in Malaysia was not that serious as compared to some countries.

" Actually, the situation in Malaysia is unique. Many people told me they are impressed how we can maintain prices at the current level as in some countries, prices have gone up, sometimes as high as 100 per cent.

" But here, even though prices go up, it will not be that high," he said.

Dr Mahathir, however, said prices of local goods should not be raised.

On NEAC, he said the council would hold its first meeting on Thursday.

He said he had appointed about 30 people to the council including several ministers, representatives of trade unions, consumer associations and professional bodies.

He said Menteris Besar including Kelantan Menteri Besar Datuk Nik Abdul Aziz Nik Mat and Chief Ministers have been invited to attend the first meeting. -- BERNAMA

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