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Mahathir - Goods

BUY LOCAL GOODS TO REDUCE INFLATION, SAYS DR MAHATHIR

PETALING JAYA, Aug 13 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has reiterated that Malaysians should buy locally-made products in efforts to help reduce the inflationary impact of imported goods.

He said prices of domestic products had increased due to the spillover effect of imported goods.

When Malaysia buys foreign goods, salaries or wages have to be increased and this causes prices of locally-made products to increase as well, he said when officiating at the Malaysian Products Expo in Subang Jaya here.

However, the prime minister said, it was impossible for Malaysia to depend entirely on locally-made products as sugar, milk, flour and iron, among other items, have to be imported.

Also present were the prime minister's wife Datin Seri Dr Siti Hasmah Mohamad Ali, Selangor Menteri Besar Datuk Abu Hassan Omar and Domestic Trade and Consumer Affairs Minister Datuk Seri Megat Junid Megat Ayob.

"If 100 per cent of our goods are imported, we would become poorer, but if 100 per cent of our goods need not be imported, the fall in the ringgit would not have any adverse impact," he said.

"Between these two extremes, the reduction in the dependence on foreign-made products and increase in demand for domestic products could minimise the impact of the depreciation of the ringgit," he said.

He said the people have welcomed government efforts in reducing imported goods and this was an initial victory in overcoming the economic problems.

The prime minister pointed out that in the first six months of the year, Malaysia chalked up a RM20-billion trade surplus against a RM2.6 billion deficit in 1997.

"This is a clear victory stemming from the people's positive response to the government's call to reduce imported goods and increase demand for local goods," he said.

Demand for local goods could be increased what more with these goods being of high quality and accepted in export markets throughout the world, he said.

"Even Malaysian-made micro-chips have been used in space," he said stressing that there was no reason for Malaysians not buying Malaysian products.

By buying Malaysian products, the people could help the economy recover and ward off efforts by others to re-colonise the country, the prime minister said.

Dr Mahathir said by promoting "Buy Malaysian" did not mean Malaysia was declaring a boycott of foreign-made products because foreign countries could do the same to Malaysian products.

However, as much as possible, Malaysia has to reduce dependency on foreign products and raise demand for Malaysian products to save on foreign exchange.

He said expositions such as the one he opened today would help generate demand for Malaysian-made products and the people should help make a success of such campaigns.

Later when approached by reporters, Dr Mahathir said the current state of the Malaysian economy was not good as many big companies were in serious

trouble and banks were facing problems.

"We see our ability to separate our economy (from others) as still being very weak.

"They can always depress our ringgit, share prices and our ability to borrow money," he said when asked on the current state of the economy since the onslaught of the currency crisis in July last year.

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