

31 OCT 1998

LEAD MAHATHIR-EXPORT

M'SIA NEEDS TO EXPORT MORE TO HAVE MORE FOREIGN EXCHANGE, SAYS DR MAHATHIR

KUALA LUMPUR, Oct 31 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said here today that Malaysia needed to export more in order to have more foreign exchange.

"With a lot of foreign currencies we will never be threatened by others," he said.

Speaking at a dialogue session with port users concerning the usage of Port Klang, Dr Mahathir said the country expected to have enough foreign currency.

"But every little bit counts. We need foreign exchange because now we have to buy everything in foreign currency," he said.

This is because ringgit is no longer tradeable outside Malaysia since Oct 1.

"We have now to be very careful of our own economy, but there is also certain risk, one of the problem of course is if we don't have enough foreign exchange," he added.

The prime minister, who is also first finance minister, noted that as a trading nation, Malaysia has enjoyed trade balance of RM32 billion for the first eight months of this year and with that money, the country could buy foreign currencies for its needs like to pay for imports and debts.

He said in order to have sufficient foreign currency to pay for imports or external debts, Malaysians have to conserve or earn as much foreign exchange as possible.

Dr Mahathir also noted that despite the favourable trade balance, the country experienced services accounts' deficit and that this deficit needed to be cut down.

One way to do this is to use local ports as much as possible, he said, adding that increased utilisation of local ports would also provide spin-offs for other local services industry like trade handling and insurance.

As such, he urged the local industry to use Port Klang as a load centre while the other ports in the country as feeder ports.

Dr Mahathir said Port Klang has the ability to be the load centre for the country.

"We hope everybody would make port Klang a load centre and to get goods from Indonesia, Bangladesh, Myanmar to be brought there (Port Klang) and tranship to Europe and America," he said, adding that the government has already provided the infrastructure.

Dr Mahathir also said that Malaysia's imports and exports are bigger than Singapore, noting that Singapore's trade is dependent on trade with Indonesia, Indonesia, China, Thailand and Bangladesh.

He said: "So we can play the same game as Singapore but we need to have support. This is the chicken and eggs issue, do we get people to bring their goods to Port Klang or do we develop Port Klang first?"

In order to increase the usage of Port Klang, the Malaysian importers and exporters needed to be co-operative, he added.

At the moment, most of the delivery process are handled by shipping agents, and sometimes they (exporters and importers) did not know how the goods get to the destinations and where the goods come from, said Dr Mahathir.

"On the part of the business, you have to ensure that the goods imported or exported are through Port Klang. We have some inland ports that

would make it easier to facilitate tracing the routes taken by your exported or imported items," he said.

Dr Mahathir said: "There are many things that we can do, but what the government is most interested in is to keep our money within because we are facing problem with the economy." -- BERNAMA

MK FR