

19/12/1998

Exports for first 10 months exceed that of whole of 1997

INDUSTRIES have responded positively to the challenges from economic turmoil as total export for the first 10 months this year, amounting to RM236.905 billion, has already exceeded total export for the whole of 1997 that stood at RM220.89 billion.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said the impact of economic turmoil on the country's industrial sector varies in degree with export-oriented industries benefited from the cheap ringgit.

"In 1997, the trade balance registered a deficit of RM45 million for the whole year while for the first 10 months of 1998, there is a cumulative trade surplus of RM44.527 billion.

"In fact, if lumpy imports and re-exports were excluded, the 10-month trade surplus would be RM50.1 billion," she said in her address at the Industrial Excellence Award presentation ceremony in Kuala Lumpur yesterday.

Prime Minister Datuk Seri Dr Mahathir Mohamad had presented the awards to the winners of various categories.

However, the first six months of this year witnessed the manufacturing sector being affected by the economic turmoil, particularly the tight monetary policy implemented at the onset of the problem.

Rafidah said the twice-yearly Industrial Trends Survey conducted by the Malaysian Industrial Development Authority (Mida) reported a moderation of activities in the manufacturing sector between January and June 1998 period.

This is due to the then unpredictable ringgit depreciation and fluctuation and the high interest rate, she said.

Total production volume fell by 0.3 per cent for the period, with the marginal decrease tempered by production increase in the major export-oriented industries.

During the period, the overall capacity utilisation rate was at 71.5 per cent, with 11 per cent of the respondents reporting above 90 per cent capacity utilisation rate. The rest of the respondents (41 per cent) reported between 71 and 90 per cent utilisation rate and 20 per cent reported between 51 and 70 per cent utilisation rate.

"The machinery and transport equipment industry reported an average capacity utilisation rate of only 49 per cent, the lowest ever recorded in all previous 67 surveys, and below the 60.5 per cent capacity utilisation rate necessary for the industry to break even," she noted.

Among the 11 industrial sectors surveyed, she said only the chemicals, petroleum, plastics and rubber products industries registered capacity utilisation rates of 80 per cent and above, with the rubber products industry reporting 81.5 per cent.

"However, with the Government's various measures put into place in the third quarter of 1998, there has been discernible, positive increases in capacity utilisation as well as decreases in the stock overhang in various industrial sectors, previously affected by the earlier strict measures," she said.

(END)