

08/12/1998

PM: We should be among the first to regain growth

Patvinder Singh

MALAYSIA should be among the first Southeast Asian countries to regain dynamic growth as the economy has already shown early signs of recovery, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

However, he said Malaysians could not just sit back and wait but should develop greater intrinsic strength through better management practices and maximising the resources at their disposal.

"If we audit all the resources within the country, including our financial capacity and skilled manpower, and we apply them skilfully, we should be able to insulate much of our economy from the uncertainties of the world environment.

"That way we can be much more sure of achieving recovery," Dr Mahathir said.

He said this in his speech at the opening of the Malaysian Structural Steel Association Convention 1998 in Kuala Lumpur. The speech was delivered by International Trade and Industry Minister Datuk Seri Rafidah Aziz.

Dr Mahathir said prior to the economic downturn, the growth rate in the construction industry was approximately 10 to 12 per cent but the industry had experienced a negative growth of 19.2 per cent this year.

"This contraction was due to the slower infrastructure development and subdued performance of the non-residential sub-sector.

"The International Monetary Fund policy adopted by the previous financial authority in the Government resulted in total stoppage of construction, as not only new loans could not be obtained but approved loans were also withdrawn," Dr Mahathir said, adding that the construction industry was labelled as a non-priority sector and actively discouraged.

He called for more steel to be used in the construction and fabrication industry to create domestic demand, reduce costs and make a success of the steel industry.

He said increased consumption of steel would lead to a viable steel industry.

"Presently we use more concrete. Although we can produce enough cement to meet our needs, cement production destroys our beautiful limestone hills.

"We can reduce demand for cement by using more steel."

The Prime Minister said in the United Kingdom, 60 per cent of the buildings were structural steel-based while in the United States the traditional method of construction involved structural steel.

Dr Mahathir said the steel industry with its progressive and consistent development had always been linked to the success stories of many developed nations.

He said most construction practices at the worksite were outdated and that the country should produce building components in factories using more automation and precision, and then assemble them at the worksite.

The Prime Minister said unless this was done Malaysia would continue to be a haven for immigrant workers. There were presently 1.14 million legal workers constituting 13 per cent of the workforce.

"However, illegal immigrants constitute another 800,000 workers, with 400,000 dependants. Overall they make up approximately 2.3 million workers.

"Although they have contributed to our economic growth, the social and

financial cost is very high. We really cannot afford the luxury, for indeed having foreigners work for us is a luxury," Dr Mahathir said.

He said this scenario had to be changed. New technologies had to be developed to reduce the need for unskilled labour, with skilled workers trained from the local workforce and paid attractive wages.

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