

31/08/1998

Getting the country's economy back on track

Fadzil Ghazali

OVER the years as August 31st approached, local companies delivered their Merdeka Day messages via advertisements and commercials on local television networks.

Most of the advertisements took viewers for a walk down memory lane, depicting the celebration of the country's independence in the old days, striking nostalgic chords in Malaysians.

This year however, additional messages are transmitted by the local companies. Roti jala and shoes Made-In-Gombak are used in some of these ads. This comes as no surprise as buying Malaysian-made products is being promoted as one measure to get the country's economy back on track.

This year, the situation is indeed different. While in the last 10 years or so, the country had been blessed with an average annual growth of 8 per cent, in 1998 a contraction in economic growth is taking place in Malaysia.

The Malaysian economy has posted a negative 6.8 per cent growth on an annual basis in the second quarter of this year following the worse than expected externally-driven deterioration in the economic environment.

Bank Negara's outlook for the next six months continues to depend a lot on external factors including the global financial and economic situation.

The economic contraction in the April-June period, follows a revised 2.8 per cent negative growth in the first quarter and it was led by the construction sector which recorded a 22 per cent decline.

Manufacturing output was 9.2 per cent lower with domestic and export-oriented industries, registering falls.

Although Malaysia is now in its 41st year of independence, it has never been more threatened than it is now. This time the struggle is against a different kind of colonialism and foreign domination.

Attacks on countries' currencies and economies have brought some neighbouring nations in the region to their knees.

As they are now assisted by an external international body, the governments of these nations are no longer in total control of the administration of their respective countries.

Malaysia is avoiding this at all costs. Even though external forces have to a certain extent severely damaged the country's economy, the Government is confident that Malaysia will persevere.

While bearish sentiments continue to assail the country's economy, the Government on its part has initiated various measures to strengthen the country's banking and finance institutions so that they will assist the corporate sector in spurring economic growth.

In addition, Malaysians are encouraged to do their part to reduce cash outflow as this will subsequently affect the country's economic position. The rakyat are urged to buy Malaysian goods, reduce their overseas trips and show their confidence in local banking and finance institutions.

It was not that long ago that Malaysia was dubbed one of Asia's tigers. With the people's hard work and commitment, the country saw numerous developments.

The continuous growth spurred the country to move another step ahead with the aim of making Malaysia a developed nation by the year 2020. The multimedia and information technology industries were picked as the vehicles to assist the country in achieving this aspiration.

But in July last year, the country was affected by unprecedented

currency turmoil in the region. The Philippines and Thailand were among the first to suffer the brunt of this crisis.

The contagion effect followed and the region lost its economic momentum. Once known as the most dynamic area for growth, Asia is held in the grips of a recession and dogged by falling stock markets.

The turmoil also saw changes in the leadership of certain countries. Japan is now headed by a new Prime Minister, while Indonesia saw the 32-year reign of President Suharto brought to an end.

Most countries in the region are struggling to revive their failing economies, hard hit by the currency turmoil. Some have sought aid from the International Monetary Fund (IMF) but it seems the desired support failed to bring hoped-for results.

Prime Minister Datuk Seri Dr Mahathir Mohamad fears that Malaysia may end up like those which have sought IMF assistance. He strongly believes the country and its people can put back the nation's economy back on track and resume the onward journey to reach developed nation status.

The country can also not count on external support or aid from the IMF in restoring Malaysia's economy. The "Malaysia Boleh" spirit has taken on a new meaning. This spirit is needed to overcome colonisation and foreign domination of a different kind. Solidarity among Malaysians, their commitment and support to the Government can assure that Malaysia will successfully meet and overcome present challenges.

The theme of this year's Merdeka Day is: "Our Nation, Our Responsibility". It is indeed the responsibility of every Malaysian to help revive the country's economy. Buying Malaysian-made goods is the right gesture at the moment ... it is a means to ensure the speedy recovery of the country's economy.

(END)