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Industries' role in recovery

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THE Government has implemented various measures to revive the economy but the speed of recovery will be determined by the action of industries, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said it was important that at this stage, industries adopted a positive attitude and took effective steps towards economic recovery.

Speaking at the 1998 Industrial Excellence Award ceremony at the Putra World Trade Centre in Kuala Lumpur, Dr Mahathir said:

"To further strengthen trade balance, we must take all the necessary measures to conserve and increase foreign exchange, for instance like reducing imports of intermediary and capital goods."

For the period between January and September this year, of the total RM173.6 billion in imports, 70 per cent or RM121.4 billion consisted of intermediary goods and 16.6 per cent or RM28.8 billion capital goods.

Dr Mahathir repeated his call for imports to be substituted with local products of the same quality and standard, and reminded industries to equip themselves in facing the challenges of globalisation and trade liberalisation.

Pointing out that the process would continue and be championed by developed nations at various forums, Dr Mahathir said:

"Tariff is only a temporary protection. The effective way to face this challenge is for the industries themselves to practise global orientation, that is by ensuring that their products and services meet the international requirements from all aspects including quality, price and efficient delivery."

Dr Mahathir said globalisation would not only affect export-oriented industries but also manufacturers of products for the domestic market.

He called on local manufacturers to upgrade their capability and expertise, adding that if size was the stumbling block, they should move towards mergers, joint ventures or smart partnerships which would strengthen their positions.

Another area that should be given attention, he said, was enhancing total factor productivity through restructuring, organisational changes, adoption of better management techniques and new technologies, and information technology, among others.

The Prime Minister said Malaysian manufacturers had already achieved a high level of excellence as evidenced by the various international awards won by their products.

But they must not be satisfied with their achievements so far, he said, suggesting that they continue to improve themselves and expand their businesses into non-traditional markets in Africa and South America.

Dr Mahathir said the Government would always strive to help the industries through measures such as tax incentives and monetary aid, but reminded them that over-dependence on the Government could have a negative effect.

In line with advancement in technology, the Prime Minister said, they should not neglect the development of value-added products and high expertise.

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