

24/03/1998

King: Give undivided loyalty (HL)

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KUALA LUMPUR, Mon. - The Yang di-Pertuan Agong Tuanku Ja'afar today urged the people to give their undivided loyalty to the country and rally behind the Government to overcome the current economic problems.

Opening the fourth session of the ninth Dewan Negara and Dewan Rakyat at the Parliament House, the King said the people should ensure peace and harmony and refrain from any action that would cause problems and suspicion.

The King expressed confidence that the Government, under the able leadership of Prime Minister Datuk Seri Dr Mahathir Mohamad, was capable of overcoming the problems.

However, he said, the people should continue with their sacrifices and strive with full determination in tackling the woes.

He said in the wake of the currency and share market problems which had affected economic growth, people must not forget the positive measures the Government had taken so far.

"With these measures we have been able to deal with the economic slowdown without having to rely on foreign assistance or international financial institutions."

While urging the people to remain patient, he said they must have total confidence in the Government.

"In the present scenario, it is necessary for people from all walks of life to avoid wastage, reduce unnecessary spending, increase savings and invest in sectors which guarantee profitable returns in the long term."

The King said in the last 10 years, the nation had enjoyed rapid economic growth due to the hard work of various groups in the country.

However, he said, in so short a time the nation was hit by the depreciation of the ringgit and the drop in the value of shares on the Kuala Lumpur Stock Exchange.

In this context, the King said the Government would continue to exercise control on public sector spending by reducing federal expenditure this year.

He said the economy was expected to grow at a slower rate because of moderate world economic growth.

"From the inflation aspect, the weak ringgit and rising production cost will result in a slight increase in the consumer price index.

"Efforts to maintain strong growth must continue through higher productivity, especially from the competitive and technologically-oriented aspect of human resource development.

"Attention must also be given to efforts to strengthen the country's balance of payments where the people are encouraged to use local goods and services, enhance the capability of the local service sector and increase local production capacity."

The King said steps should also be taken to increase domestic savings to finance economic activities and avoid dependence on foreign loans.

He said Malaysia would ensure that its trade and investment liberalisation policy was carried out in stages and that the Government would continue with its strategic and vital infrastructure development despite spending cuts.

It would also ensure that there would be sufficient water supply for domestic and industrial needs.

"In this context, the Government will ensure that the agencies involved

will enforce the law effectively to prevent pollution in rivers and the environment."

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