

04 MAY 1998

MAHATHIR SAYS M'SIA WILL CONTINUE TO REDUCE TARIFFS

KUALA LUMPUR, May 4 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today that Malaysia has for now not decided to slow down its implementation of tariff reduction under the Asean Free Trade Area (Afta) arrangement.

"We at the moment have not decided to slow down the removal of tariffs of our country," the Prime Minister said during a question and answer session at a luncheon hosted in his honour by the United States-Malaysia Business Committee of the US-Asean Business Council here.

The cutting of import taxes to an average of five percent or less under Afta's programme called the Common Effective Preferential Tariff is scheduled to be realised by the year 2003. Laos and Myanmar have until Dec 2007 to do so.

Dr Mahathir also told American businessmen present at the luncheon that countries in the region were looking at conducting trade using their own currencies to counter the effects of the appreciating US dollar.

He said Malaysia, for example, used to conduct 70 percent of its trade in US dollars although only 18 percent of its total trade was with the US.

In his remarks earlier, Dr Mahathir said Malaysia has lots of ideas on how to rebuild its economy following the Asian economic crisis and part of it was the participation of foreign investors in this country.

Dr Mahathir expressed confidence that the involvement of American businessmen would hasten Malaysia's economic recovery.

"We will do everything possible to make your ventures here profitable," he said, adding that with advantages like political stability, harmony among its multi-ethnic population and no industrial unrest would make Malaysia a suitable venue for investment.

"Despite the problems we face, which would normally cause political upheaval, (in other countries), we still have political stability and people still continue to support the government," he said.

Lauding Cuepacs' recent move to accept the government's position that it might not be able to increase the salary of civil servants, Dr Mahathir said this was a testimony of such a support to the government in these trying times.

Over the weekend, in accepting the government's stance, Cuepacs said a salary review for civil servants, which last took place in 1995, was not due until the year 2000.

The Prime Minister also said the economic woes had undermined the process towards attaining Vision 2020 of turning Malaysia into an industrialised nation by that year.

On another matter, he said while Malaysia has a "Look East Policy", it would also look at the West in its quest for knowledge.

"You can learn how people do things successfully and you also can learn from their mistakes. We still think there are a lot of things to look at (in the East)," he said.

A delegation of 16 American companies is on a four-day visit to Malaysia until Wednesday during which the group will meet senior Malaysian government and business leaders.

According to the Council, US-Malaysia trade last year amounted to nearly US\$29 billion (RM105.85 billion) and that the US was the top foreign investor in Malaysia last year with RM3.7 billion in investment approvals out of a total of RM13.6 billion in foreign investment. -- BERNAMA

MAM AD SHY

