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NEAC needs strong support from all quarters

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THE much-awaited inaugural meeting of the National Economic Action Council (NEAC) last Thursday turned out to be quite a low-key media affair. It met for close to four hours, but no major decisions were announced.

Some journalists, including from the foreign agencies, walked away from the press conference clearly disappointed with the outcome of the meeting. Many had expected the council to issue a strong statement on further measures the Government plans to adopt in dealing with the economic problems.

To others, though, the low-key tone of the NEAC's first meeting was a good start. Says a member of the 24-strong NEAC, "It was not as if there hasn't been enough publicity."

And it was not as if the Government needed to announce another package of measures to deal with the situation. After all, the International Monetary Fund and also the US, which is in effect the IMF, have said the measures taken on December 5 by Malaysia were very strong ones.

Still, there were several issues that needed to be addressed quickly and as far as these are concerned, the NEAC meeting chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad has made quite an impact on the people and on confidence.

The question of credit facility and perceived credit squeeze, for example, had been addressed before by Cabinet ministers and central bank officials. But when it became one of the main issues highlighted last Thursday by the NEAC, it was clear that actions will be taken.

The next day, Bank Negara issued a statement to assure investors that banks will continue to provide credit to productive and export-oriented sectors. In the weeks to come, banks will start informing their clients what these sectors are and where everybody stands.

The NEAC also discussed requests from certain traders and manufacturers who want to increase price of goods. There were some suggestions and Dr Mahathir said these will be finalised soon.

Apart from ministers holding economic and trade portfolios, those appointed to the council also represent businesses and industries, trade unions and consumers' association. Pas, the opposition party, was also represented by virtue of its position as the state government of Kelantan.

With such a broad representation, the question of political will and seriousness to tackle the issues at hand does not arise. Dr Mahathir also took time at the press conference to explain to journalists how the council will function.

According to a booklet circulated to newsmen before the press conference, the establishment of the NEAC is a strategy aimed at preventing the nation from going into an economic recession or affecting the real economy as a result of the decline in the value of the ringgit and the fall in the share market.

In this context, the NEAC serves as a consultative body to the Government in dealing with current and short-term issues to ensure sustainable economic growth of the nation.

It was also established to assist in policy formulation and implementation of short-term and medium-term strategies in order to, among others, restore public and investor confidence, particularly that of the foreigners with regard to the economy which is still fundamentally strong.

Its strategies also include reviving the national economy and making it

competitive globally by implementing decisions of the NEAC with regard to enhancing international competitiveness.

In addition to this, the NEAC also has the role to strengthen the economic base of the country so as to achieve a developed nation status through rapid and sustainable economic growth.

The structure and modus operandi of the NEAC is so designed to enable it to function efficiently and that decisions are taken expeditiously and effectively implemented. The NEAC will be assisted by a five-member Executive Council (Exco) who are expected to meet frequently.

The Prime Minister, Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, and Economic Adviser to the Government, who is also NEAC executive director, Tun Daim Zainuddin, are three of the Exco members, while the remaining two members have yet to be appointed.

The Exco will be assisted by a working committee on aspects that are critical to restoring economic situation of the nation.

Chaired by the NEAC executive director, this working committee will study issues such as direct foreign investment, banking and finance, capital market, currency, current account deficit, and development of key present economic problems. The Economic Planning Unit in the Prime Minister's Department will serve as the secretariat for the working committee.

The secretariat will undertake an analysis and report continuously to the NEAC on all relevant and critical issues and development for follow-up action by the Government.

Besides the NEAC executive director, those in the secretariat are professionals, including economists and others regarded as necessary as well as supporting staff.

While the NEAC is expected to really exercise its functions only after the double festive seasons - Chinese New Year and Hari Raya Puasa - next week, Malaysians should continue to wait patiently to enable them to see results from measures and decisions that will be taken by the council.

Malaysians should also have faith in the NEAC because without the cooperation from all quarters, whatever measures and decisions adopted by the council will not be effective in restoring the country's economic health.

The NEAC should also serve as an effective channel for the public to convey and provide the necessary feedbacks to the Government in tackling whatever problems they are facing. In fact, it is the duty of members of the public to do just that, as they are well-represented at the NEAC.

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