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NEAC to study all aspects of problems (HL)

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THE National Economic Action Council (NEAC), at its inaugural meeting tomorrow, will discuss all aspects of the economic situation, including requests to increase prices by some manufacturers and traders.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the NEAC's chairman said the council will look into the problems "one by one", including to ascertain whether there is a need to maintain or increase the prices of goods in the country.

"We will study the list of goods. If we feel that the price of an item can be maintained at the present level, we will maintain it."

Price increases will be allowed only if there are valid reasons, he told reporters after launching the Institut Pengajian Baitulmal, Yayasan Pembangunan Masjid Wilayah Persekutuan and a book on world mosques in Kuala Lumpur yesterday.

"We will try our best to maintain the present level of prices," Dr Mahathir said, adding that foreign leaders have described the situation in Malaysia as unique in that the country has been able to keep inflation in check, especially when others are experiencing 100 per cent price increases.

However, the Prime Minister said he is disappointed that some irresponsible traders and manufacturers are taking advantage of the economic situation to raise prices.

On the composition of the NEAC which will have less than 30 members, Dr Mahathir said it has been finalised but he was unable to reveal the names off-hand.

"Basically, several ministers with trade and economy related portfolios have been appointed as well as representatives from various organisations like unions, financial sector bodies and chambers of commerce," he said.

The Malaysian Trades Union Congress and Congress of Unions of Employees in the Public and Civil Services will each have a representative in the council, Dr Mahathir said.

However, the opposition political parties will have no representatives.

"All menteri besar and chief ministers, including Kelantan Menteri Besar (Datuk Nik Aziz Nik Mat), will be invited for the inaugural meeting although they are not NEAC members at the federal level," he added.

The Prime Minister, at the Umno Supreme Council meeting early this month, had announced that all menteri besar and chief ministers would serve as chairmen of their respective state-level NEACs.

Dr Mahathir said the formation and role of the NEAC was among the highlights of a private discussion between him and Singapore Prime Minister Goh Chok Tong in Johor Baru yesterday.

"I talked about the setting up of the NEAC and on the approach taken by Malaysia to address the economic problems," he said when asked to elaborate on his meeting with Goh.

They exchanged views on the challenges by members of the Association of South-East Asian Nations (Asean), with Goh stressing that Asean must handle the situation very carefully to avoid even more serious problems, he said.

The Singapore Prime Minister, in expressing concern over the effects of the market turbulence on Asean economies, said the republic will offer whatever assistance it can.

"In fact, Goh said Singapore had tried to help Indonesia out but had to

acknowledge that it was not easy," Dr Mahathir said, adding that Singapore is wary of the possible contagion effects on its economy.

Agreeing on the need for closer Asean cooperation in facing the economic problems, the Prime Minister, said he plans to visit Philippines and Thailand next month to exchange views on the matter.

On the domestic front, Dr Mahathir reminded Malaysian consumers to be prudent and thrifty, especially with regard to helping the Government reduce the import of non-essential goods.

"They should also be prepared to face a possible increase in the prices of various goods due to the depreciation of the value of ringgit.

"The Rakyat must recognise the problems faced by importers and traders in trying to maintain the prices of goods at the present level. They cannot continue to do this when the ringgit has already depreciated... they have no choice.

"We do not want to see manufacturers and traders being forced to close shop... which will mean a loss of revenue for the Government as well," he added.