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Opportunities in difficult times

OPPORTUNITIES are aplenty beneath the gloom enveloping the Southeast Asian economies. To borrow the immortal lines from Charles Dickens' Tale of Two Cities, these times are indeed "the worst of times and the best of times". Perhaps the worst of times because circumstances have forced the country's economic engine, which had been roaring mightily at an annual growth rate of eight per cent, to slow down. As experienced in recent months, applying the brakes are bound to cause some pain. But this is also the best of times because we are confronting challenges which will allow us to remedy our weaknesses and rectify flaws - both being elements that tend to occur in any process of rapid economic transformation. The best of times because opportunities lurk, ready to be seized.

This has long been recognised by Datuk Seri Dr Mahathir Mohamad, as evidenced from his keynote address at the recent Emirates International Forum which was appropriately called "Out of Crisis: The Opportunities". As he said, foreign investments in manufacturing are becoming more attractive due to the currency devaluation while businesses in the plantation sector, for example, are made extra-profitable. In the case of export-based industries, the current situation presents more opportunities to increase exports. Indeed, it's an opportune time for foreign investors to set up shop in the region.

However, as pointed out by Dr Mahathir, the most important opportunity lies in the improvement of financial management. In addressing the ill-effects of the financial and stock market problems, the Government has adopted numerous pragmatic measures. Several mega-projects have been deferred. Steps have been taken to control the country's high credit growth, which had notched up to 30 per cent. For example, financing is no longer made available to unproductive sectors while added, stringent rules will ensure that loans will be secured by creditworthy borrowers. It is the beginning of an era where every sen is made accountable for and where wastage is completely eliminated from the culture of the public and private sectors. Excesses can no longer be tolerated. As Dr Mahathir said, "Every item of expenditure is now scrutinised closely and where there is no absolute necessity, severe cut-backs will be made, resulting in the strengthening of the financial base of the country."

Much to its credit, the Government has resisted the perennial temptation to harvest short-run benefits from short-term measures. The country's austerity drive, for example, will encourage frugality and savings for the future. Like it or not, many among us have been guilty of excessive consumption and unwise spending habits. In changing the pattern of consumption, by buying made-in-Malaysia goods and spending wisely, the public will be easing the inflationary pressures. Of course, there is still room for measures which will accelerate and deepen the remedial action-plan needed to build up the intrinsic strength of our economy. But these are the very things that create opportunities for new directions and practices which the Prime Minister had spoken of in his address. A difficult problem need not necessarily deliver debilitating blows. In the process of tackling it, we will emerge stronger than ever provided we are not overwhelmed by the immensity of the task.

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