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Prudent spending key to recovery

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OKAY. So shallots which have reached an all-time high of RM9 a kilogramme are making our mums cry. Cooking oil prices have got us at boiling point. And the absence of sugar from the shelves is not making things any sweeter either.

At the wet markets, while red chillies are leaving us with a burning sensation, the price of gourds makes a bitter pill to swallow. And just a few days ago, before the promise of a price lid on certain foodstuff, many were in a flurry for flour.

But honestly, we don't need to start running frantic like a chicken without its head - even though retailers are still trying to raise the price of these birds again, after getting permission for a price hike in December!

What's truly necessary is for us to get a grip on ourselves - or rather, our pockets. No point whining. No use crying over expensive milk. Come what may, it is up to us now - each and every individual - to help ourselves and our economy recover.

How do we go about doing this? Easy. Either we cut down on expenses and learn to make do with the minimum for a change, or work harder to earn more and save rather than spend it all. Even better, do both.

This advice may or may not be familiar to you but Prime Minister Datuk Seri Dr Mahathir Mohamad had already started voicing out his concerns way back in 1985. And he has been constantly reminding us of it time and again.

"Time to spend less. Buy only essentials," he said in 1985. "Danger of inflationary spiral if people spend beyond their means," he warned in July 1989. "Be prudent," read a daily in September 1990.

"Reduce demand of imported goods. Don't import inflation," he urged again in 1991. November 1991: "Don't overspend." December 1992: "Spend judiciously. Inflationary trends will affect country's economic well being."

And amidst articles such as "Rise in Malaysian affluence" and "Up-surge in consumer spending," there was Dr Mahathir again warning us in May 1993: "Pay rise must come with productivity." June 1993: "Help us fight inflation. Spend less, save more." October 94: "Help fight inflation, increase productivity." And he's been at it ever since, always with the same messages for us to spend wisely, save and be more productive.

But did we listen? Did we bother? How many of us have gone on a holiday lately knowing full well there were still so many bills and loans waiting to be settled?

And how many of us have indulged in buying things we already had - and were functioning well - just because we spotted the big "Sale" sign? When we were a tad short of cash in the middle of the month, rather than wait for pay day, did we find ourselves saying: "I'll buy now and pay later"?

Did we happily use our plastic cards, splurging and overspending, sometimes to the verge of seeing them go bust in our faces? "Pay up or we'll have to cancel your account with us," says an unidentified voice over the phone.

In 1990 the number of credit cards in circulation stood at 700,000. By June 1995 the figure had risen to 1.6 million cards with a total outstanding balance of RM2.9 billion.

By the end of June 1996, there were 1.8 million credit cards around with

a total spending figure of RM4.2 billion - a 44.8 per cent jump within a year. In October 1996, when Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim tabled his 1997 Budget, he said the rate was alarming and that the number of cards around had exceeded two million. It was then that he proposed the RM50 service tax to curb or discourage unnecessary spending and as "a measure of prudence".

So now, what do you think? Have we been overspending? Have you?

What's done is done. We can't turn back the clock. But we can certainly do something about this situation.

Like most gloomy scenarios, there is always a brighter side - if one cares to look hard enough. In this case, attitudes can change and good habits can be inculcated.

Simple steps are achievable with enough self-discipline. Mums and dads can teach their children to save again. In fact they, too, can be more prudent in their spending ways.

Those who used to shop for only designer togs (during the times when stocks were almost hitting the ceiling and business was growing at a seemingly exponential rate) can now stop being as impulsive when choosing their clothes. We can save and help the economy, besides helping ourselves, by supporting the Buy Malaysian campaign. Cutting back on sugar and cigarettes also means a healthier lifestyle.

Your contributions may seem insignificant but collectively, it would amount to a lot. Already, daily news reports have indicated progress as the Asian market slowly climbs its way back up.

The Thais have shown support for their country by selling whatever foreign currency they have and buying Thai baht. Some Indonesian celebrities have followed suit. Koreans are turning over their gold jewellery so that the country can raise money. What can we do?

Some of us are already devising ways of combating the effects of the ailing ringgit and coping with the times. This is the spirit we need: never say die. We've weathered bad times before, together. We will do it again this time.

* If you know of anyone who has a bright idea or who has actually come up with a workable adjustment to ride out these troubled times, write to us at WISE WAYS, Life & Times, New Straits Times, 31 Jalan Riong, 59100 Kuala Lumpur or fax the information to 03-2821434.

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