

31/01/1998

Putting national unity first

MALAYSIANS have much to be thankful for, this Gongxi-Raya, even if it was celebrated in a more moderate manner. Lest we start taking things for granted or are ungrateful, let's remind ourselves while the festive spirit is still in the air that ours is one of the countries in the region directly affected by the so-called Asian economic meltdown. We are no Singapore or Hong Kong, but neither are we in the same boat as Indonesia, Thailand or South Korea. While millions in these neighbouring countries have lost jobs and reasons for joy, we can still buy goodies, give out ang-pows to the young ones and visit one another with wishes for greater prosperity in the coming year.

This should say something about how Malaysia has survived the financial turmoil thus far. Since the start of the region's problems in July last year, the Government came out repeatedly and reassured the people, investors and fund managers that the Malaysian economy was sound and would not be needing a bail-out from the International Monetary Fund. Despite these efforts, fund managers and foreign investors took flight amid a self-created orgy of panic selling that further dampened prices on the Kuala Lumpur Stock Exchange. Let's not forget that we were the first to draw attention to the spectre of currency trading and how those traders manipulated markets and prices in the region. We were accused of being fools who did not understand their economics and were warned by many to suffer in silence. But later, even Mr George Soros, the US financier who had made billions thorough currency speculation, agreed with Prime Minister Datuk Seri Dr Mahathir Mohamad that greater transparency and regulations were needed for international currency trading.

When things turned from bad to worse, some Malaysians began to doubt the strength of their economic fundamentals and the leadership that had brought them almost a decade of rapid growths. There were calls for Malaysia to swallow its pride and consider going to the IMF for help. On December 5, cost-cutting measures announced by Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, which were chided by analysts and economists - including locals - but praised by international institutions and governments. The IMF and Washington described the measures taken by Malaysia as "encouraging" and "very strong". A few days ago, the World Bank said the bitter economic medicine taken by Malaysia to pull itself out of the Asian economic malaise appeared to be working.

Now things seem to have stabilised for Malaysia, and the World Bank concurs, based on the stock exchange and the currency rates. Rumours are still rife, though, about the howthe worst will come after the festive period. Malaysians therefore, should take heed of Dr Mahathir's call to all communities, groups and associations to close ranks in defence of the country during the economic downturn. If there are divisions among the Malaysian people, all efforts to address the economic problem will be less effective and this will further undermine the economy. Malaysians have seen how people in countries which had to bow to international aid agencies are suffering. Their workers lost jobs, their companies and banks closed, prices of goods escalated, there were supply shortages and the people had to face many other hardships. Dr Mahathir put it very simply for all Malaysians: If we do not want all this to happen to us then we should avoid putting the interests of self, race and associations above national unity.

The reason Malaysians can still celebrate Hari Raya and Chinese New Year in peace and harmony is because the impact of the regional financial turmoil on their everyday lives is minimal or has been minimised. Inflation is under control and unemployment is expected to remain low. After years of generous pay-outs, wages in public and private sectors have been cut or frozen, but this should allow for productivity to catch up. Some sectors are experiencing a slowdown, but the country has its palm oil, petroleum, and other commodity sectors to depend on. It also has the fighting spirit of its people to hold on to. As long as they keep working hard, Malaysians should be able to look forward to celebrating in a bigger way next year.

(END)