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Readiness to adjust key to weathering woes: DPM

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MALAYSIA's readiness to adjust itself and institute reforms has enabled the country to weather the pressures brought upon by the current economic problems, Deputy Prime Minister Datuk Seri Anwar Ibrahim said yesterday.

"Up to now, we were able to withstand further pressure and hardship not to have to resort to any International Monetary Fund (IMF) bailout, partly because we are prepared to accept that we need to make reforms, major policy adjustments and strict measures, and accept hardship," he said.

"There is no alternative if we do not want to resort to foreign assistance and IMF bailout," he said at the concluding session of the National Smart Partnership Dialogue in Petaling Jaya yesterday,

He said for example, the decision to limit credit growth to 15 per cent for this year was a decision that may have seemed "abrupt and tough", but there was "no waiting time" to carry out such a decision.

"We cannot wait for credit growth to moderate in five years after what has happened in the Thai crisis," he said, adding that "anything done abruptly is painful".

Malaysia's strengths, he said, is in its clear policy directions and political stability.

He added that while he agreed there were occasional contradictions in policy pronouncements, these were "not too damaging".

Winding up the two-day Smart Partnership Dialogue, Anwar, who is also Finance Minister, said it took humility to acknowledge that there are further measures to be taken to improve the economic situation.

Anwar, who is also Finance Minister, added that recommendations made during the dialogue will be taken up with Prime Minister Datuk Seri Dr Mahathir Mohamad and the Cabinet.

"Smart partnerships can only work with an open and frank exchange of views," he said.

Earlier in the fourth dialogue session: "Strategies for Recovery - Human Capital, Values and Technology", Minister of Entrepreneur Development Datuk Mustapa Mohamed said that there is insufficient smart partnerships between the Government and the private sector.

"There is a perception that the Government is shouldering an unfair share of the training burden.

"This is partly due to the short-term orientation of the private sector and its failure to comprehend the benefits of training," he said.

This, he added, explained the occurrence of "staff pinching which were rampant in the mid-1990s.

He said that Malaysians still place a high premium on paper qualifications rather than hands-on training.

"What is lacking, is smart partnership in implementing and translating the requirements in the Seventh Malaysia Plan and the Second Industrial Master Plan into the actual output of skilled manpower," he said.

The need to train, he added, has to be market-driven.

"We need better interaction between the Government and industry, and better partnership in the gathering and sharing of information.

"There is a need to improve labour market information to ensure optimal allocation of resources and to reduce mismatch in skills," he said.

Furthermore, lessons need to be learnt from the previous economic downturn, and for the country to prepare itself once the economy recovers.

He pointed out that there was a "severe shortage of engineers in the

early 1990s because engineering faculties in the local institutions had cut back intake after the 1986 recession".

"There are important lessons to be learned now from this episode," he added.

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