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Spend prudently, King advises private sector

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THE King yesterday called on the private sector to emulate steps taken by the public sector in spending prudently to avoid the country's economy from being too dependent on foreign borrowing as a source of financing.

Yang di-Pertuan Agong Tuanku Ja'afar also said efforts to enhance the role of the private sector, especially in expanding competitive and productivity-oriented export-based industries, will further strengthen the country's balance of payments.

In his address at the first meeting of the fourth session of the ninth Parliament yesterday, the King said he hopes the people will be patient in coping the present economic problems.

"We have enjoyed rapid economic growth during the last decade. This is indeed what we reaped from the efforts contributed by various parties in the country. The devaluation of our currency, which had caused the stock market to slide in such a short time, left the country in shock.

"Although Malaysia is facing problems in its foreign exchange and stock market since mid-1997, we are confident that the people and the Government, under the leadership of Datuk Seri Dr Mahathir Mohamad, is capable of overcoming the challenges," he said.

In terms of inflation, he said, the devaluation of the ringgit and the increase in wages following full employment is expected to cause a slight increase in the consumer price index.

Tuanku Jaafar said in the current challenging economic situation, more efforts will be focused on developing exports of goods and services.

"To maintain export competitiveness, more importance will be placed on productivity growth by increasing management efficiency and production process and the use of new and more efficient technology," he added.

He noted that the primary commodities sectors will be maintained as strategic sectors in developing resource-based industries. These will be managed in a sustainable manner by taking into account minimum impact to the environment besides its optimal exploitation for the country's present and future use.

The King also said the Government will continue to emphasise on the growth of tourism industry. Towards this end, efforts to promote Malaysia in international tourist markets will be stepped up.

At the same time, he said, efforts to encourage domestic tourism will be strengthened to maximise its benefits and to prevent outflow of currency.

Tuanku Ja'afar said the development of the Multimedia Super Corridor, which is the one of the Government's projects to build a knowledgeable society, will continue to be implemented.

"With encouraging response from foreign investors, the Government is actively creating an environment that is conducive for the dissemination of the latest in technology among Malaysians," he added.

The King also said the unity shown by all levels of society in facing the current economic problems is something to be proud of.

"The current turmoil in the currency and stock markets will undermine economic growth and give rise to certain problems to the people. Nevertheless, we must not deny the strength and positive steps taken by the Government thus far.

"With such strength and positive steps, we have managed to handle the economic turmoil experienced by the country without having to resort to applying for aid from foreign countries or international financial

institutions.

"Hence, now is not the time to create trouble and suspicion but to strengthen our commitment to face the challenges, to sacrifice and to maintain our fighting spirit with utmost dedication," he added.

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