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PM: Extraordinary measures needed (HL)

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PRIME Minister Datuk Seri Dr Mahathir Mohamad said the Government is thinking of "extraordinary" measures to overcome the country's economic problems.

Speaking at a Malay Chambers of Commerce dinner and theatre in Kuala Lumpur last night, he said to ensure their success the measures will require the the full support of the people and business community.

Dr Mahathir however said he was not "hinting" that extraordinary measures have been formulated and are set to be carried out", but that the Government feels "ordinary measures will not bear fruit."

He noted that Malaysia has always taken the path less trodden, for example, the Malaysia Inc concept and the National Economic Policy (NEP).

When the NEP was first introduced, various quarters said it would result in riots among the people, but this was not the case, he said.

"We are fortunate that there is unity and support of the people which makes it easy for the Government to carry out plans (to revitalise the economy)," the Prime Minister added.

These plans are necessary because "if we continue the way we have been, we will not be able to restore the economy," he said.

"We have to study new and innovative ways to tackle the problems."

Dr Mahathir acknowledged that when something new is introduced, there will always be opposition.

"This is normal, but to defend ourselves, we have to be united and act in a planned and disciplined way," he said.

Earlier in the day when opening the Love Malaysia 98 Expo, Dr Mahathir said he plans to meet local importers and exporters to seek their assistance in reviving the country's economy.

He said he will make three proposals to them: first, to increase the country's exports as a means to revitalise the economy; second, to quote Malaysia's exports in the currency of the trading partners; and finally, to use local ports, airports, insurance and re-insurance companies, Malaysian-owned ships and local transportation facilities as much as possible to stem the outflow of funds.

"We have to increase our exports to earn foreign currency. If we can export more goods, we can have more foreign exchange. We have to quote Malaysia's exports in the currency of the country concerned. This way, we will have sufficient reserves of different foreign currencies.

"We can then use these currencies to buy goods from outside," he said.

Currently 70 per cent of Malaysia's trade is conducted in US dollars and this level must be reduced to speed up the economy's recovery, Dr Mahathir said.

"If we continue to pay in US dollars, the country will lose more money because the US currency has appreciated not only in ringgit terms, but against other currencies as well."

On the use of local ports, the Prime Minister reminded Malaysian traders that by doing so they will help to enrich the nation. He also noted that Port Klang's charges are among the lowest in the world.

"If we manage our economy well, we can be rich again... it depends on the business community," he added.

Dr Mahathir said he is glad the business community has responded positively to the Government's call for assistance to overcome the economic problems currently faced.

He also stressed that Malaysians must show more faith in local products, and reduce the consumption of foreign goods.

This is important because the country needs to reduce the outflow of money in face of the ringgit's depreciation against the major currencies, he said.

"We are not against the foreigners... we are not boycotting foreign goods. (It is simply that) we are now poor and cannot afford to buy from overseas."

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