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Urgent need to utilise everything local

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"INCREASE the country's exports, quote our exports in RM, and utilise export facilities at our local ports and airports". In the next few months, God-willing, Malaysia will be able to register a better trade surplus, a firmer ringgit and a strong stock market.

Prime Minister Datuk Seri Dr Mahathir Mohamad had on Friday put forward these three proposals to local importers and exporters in seeking their assistance to revive the ailing economy. As the two business groups hold the key to the movement of the ringgit on the international money market, such a call is necessary in view of the problems that has been plaguing the region for the past 12 months.

Local importers and exporters were also urged to use local insurance and re-insurance companies, Malaysian-owned ships and local transportation facilities to stem the outflow of funds.

Even the National Economic Action Council (NEAC) is looking into ways to prevent the outflow of funds and the reasons behind it. The Government is keen to know how the money is being taken out and the steps needed to prevent further outflow.

The transfer of funds will, indeed, have a negative impact on the economy. Dr Mahathir had said that the outflow of funds is still continuing heavily.

The more we import and depend on US dollar transactions, the more we are helping currency traders depreciate the ringgit.

The economic problems are a blessing in disguise - not only to the Government, but to all, particularly importers. After almost two decades of high growth of above 8 per cent, the whole country was given a rude shock when the economy took a dive in July 1997. It is time to take stock, consolidate and cut costs.

Malaysians were, during better times, big spenders domestically and internationally. The high standard of living had allowed them to buy designer items, imported household appliances and even travel overseas.

Some local businessmen used foreign airlines, foreign ports and foreign airports to carry their goods across the globe, leaving the multi-million ringgit facilities at local ports and airports to small businesses.

High-ranking officials in the public and private sectors have their offices decorated with imported sofas, cabinets, carpets, and other fittings which are much cheaper and of equal quality if sourced locally.

Needless to say, in today's situation, attitudes and perceptions will have to change. It is time for Malaysians to realise that local products are of world-class quality and come out in strong support of goods produced locally.

When Dr Mahathir called on local businessmen to turn to local ports and airports, he is not only asking them to support local facilities but also to garner their assistance in halting the outflow of the ringgit.

Exporters should refrain from using foreign ports and airports in neighbouring countries as there are compatible facilities at home to handle the job.

In addition, exports need to be increased to raise foreign exchange earnings and help push up the value of the ringgit.

Dr Mahathir's call for local exporters to quote Malaysia's exports in the currency of the country concerned has gained tremendous support from friends in Asean and even from Japan, Taiwan and South Korea. These

governments realised that heavy dependence on the US dollar will not help alleviate the region of its economic woes.

Currently, 70 per cent of Malaysia's trade is conducted in US dollars. Continuing to pay in this currency will only result in greater losses for the country and the whole region.

Soon, there may not be enough funds to sustain growth or promote economic and social development. Many will be deprived of a higher standard of living.

The Government is confident that the country will be able to ride out the present economic problems and have invited real investors to utilise our facilities and government incentives while contributing to the country's growth. It is consoling to know that despite the downturn, Malaysia remains an attractive business centre for foreign investors.

While wooing these investors, however, efforts should be stepped up to learn their technologies and use these to improve on local products.

In time, imports will be greatly reduced, but exports substantially increased because we will not only be able to produce our own products, but churn out world-class ones.

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