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Big market good for economy

IN trade lies Malaysia's salvation. With just about 23 million people, the country is too small to be able to grow independently. It needs trading partners. This reality is emphasised anew by Prime Minister Datuk Seri Dr Mahathir Mohamad this week on his return from yet another selling mission for the nation. This trip, among other places, took him and his entourage to two far-away autonomous regions in the Russian Federation, Khabarovsk and Buryatia.

For Dr Mahathir, Malaysia as a trading nation must be on the ball to look for new markets. With the need to step up industrialisation for a burgeoning economy and a growing population, it cannot afford to rely just on the traditional markets. Malaysian manufactures and primary commodities have to be channelled to wider territory beyond their traditional destinations. The country cannot leave out unexplored markets currently considered as non-traditional and places whose names are alien to most Malaysians.

Although the manufacturing sector grew at a lower rate than originally targeted for under the Seventh Malaysia Plan (1996-2000), it continued to be the leading sector of the economy, providing a large chunk of the gross domestic product, total exports and employment. According to the plan's Mid-Term Review, exports of the manufacturing sector, which grew by 17.3 per cent during the review period, continued to be the leading source of export earnings, contributing 81.4 per cent of total exports. The economic slowdown in the past two years has created a need to strengthen Malaysia's export capabilities and to devise new approaches to enhance this growth segment.

Undoubtedly, venturing into new markets requires more effort than exporting to established and well-developed ones where market disciplines are better known. In Dr Mahathir, the nation has a super salesman and a tireless one at it. Far-sighted with a bold vision in commerce and industry, he has long led the way in exploiting this potential among developing nations. He sees great benefits from South-South co-operation and trade. These countries may be small entities, but together they make quite a formidable economic power. They are promising outlets for Malaysian goods.

As Dr Mahathir points out, although the potential of the small nations is not discernible at first, visits enable valuable information to be gathered which can help increase trade. In this direction, the launching of Sibex-One membership programme some two years ago provides a window of opportunities. Targeted at entrepreneurs with business interests in Group of 15 and South-South nations, it provides a platform for anyone wishing to do business in these countries. It serves not only as a source of information but also as a source of networking. Members will help strengthen ties, promote trade among these nations and also introduce others to these economies.

Indisputably, Malaysia's steadfastness in pursuing its prosper-thy-neighbour philosophy, has paid handsome dividends. Thus Dr Mahathir is justifiably proud to announce this time that Malaysia's trade with small and weak countries of the South has generated RM90 billion in volume annually since the Government initiated efforts in this direction. It is no mean feat for such bilateral trade to grow from a mere RM20 billion in 1990 to RM90 billion last year. The volume is expected to increase.

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