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Solid footing for nation to step into new millennium

Lokman Mansor

THE coming general elections, many say, is one of the most crucial in the country's electoral history. And the most closely-watched by outsiders, including the foreign investors.

As American Express Bank's chief economist and strategist John Calverly said in a recent interview with this newspaper in Hong Kong, the outcome of Malaysia's general elections will influence a lot of investors' decisions.

Calverly, by the way, is confident that Prime Minister Datuk Seri Dr Mahathir Mohamad's Barisan Nasional will "retain its position" in the elections, which will be held on November 29.

The investors' wish is for stability and continuity, and a government with track record. The way Malaysia has pulled its economy out of the regional currency and economic crises that was triggered off in July 1997 has more than impressed these investors.

One of the underlying factors which allowed the imposition and success of the economic measures was political stability. Some calls it political will. Whatever the term, it means a strong government that has the full support of the majority of Malaysians.

This strength enabled the Government to undertake unorthodox measures.

At times Malaysia stood alone against the world, but the Government continued to receive the support and cooperation of the people.

This is a uniquely positive combination, and one which probably cannot be duplicated anywhere else in the world. It is also, as many economists admit, what gives confidence to Malaysia's encouraging recovery and its future prospects.

Indeed, many investors will be watching the elections to see the shape of the new government that will lead the country into the new millennium. They will be looking for stability and continuity, for a government that can lead the country through sustainable recovery and towards further growth.

Dr Mahathir announced the dissolution of Parliament last Wednesday, paving the way for Malaysia's 10th general elections, the last before the new millennium.

The announcement suprised many and ended speculation that had gone on for months. The opposition, in fact, had begun speculating about snap elections ever since Datuk Seri Anwar Ibrahim's sacking from the Government last September.

The Election Commission has announced that nomination day for the 1999 elections will be on November 20, while about 9.7 million eligible Malaysians will go to the polls across the country on November 29.

There are 32 political parties expected to contest in the polls, including newly-registered Malaysian Democratic Party (MDP). No doubt, their respective election machinery has already gone into full gear.

Voters will go to the polls to elect a new Federal Government and 11 state administrations through 193 parliamentary and 394 state seats. At stake is not just the future of the country, but also the present.

The signs of recovery are certainly encouraging, with growth of 4.5 per cent expected this year and 5 per cent in 2000. Consumer spending is up, exports and foreign direct investment have increased, and businesses are starting to breathe easier again.

At the same time interest rates are being kept as low as possible,

inflation remains in check, and unemployment is virtually non-existent. Several elements, domestic as well as external, can still threaten this recovery process.

Currency speculators, for instance, are becoming active again, the international financial architecture remains unchanged, the future of world trade is still uncertain ahead of the World Trade Organisation (WTO) meeting in Seattle, and some of our badly-hit domestic industries are still struggling to get back on their feet.

At home, the threat of street demonstrations and riots could deal a huge blow, not so much to the Government or to Dr Mahathir but to foreign investors' confidence and the welfare of Malaysians as a whole.

As much as foreign investors, Malaysians too must look for stability and continuity in the government they will be voting in on November 29.

They must be assured that economic recovery continues uninterrupted, not just to get out of the painful recession of the last two years, but to put Malaysia on a solid footing as the nation steps into the new millennium.

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