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Maintaining our edge

THE further weakening of an already pessimistic global economic outlook due to the terrorist attacks in the US and the bombing of Afghanistan will no doubt have an adverse effect on many nations not excluding Malaysia. We should, therefore, prepare ourselves to contain the impact.

However, we can seek comfort in the fact that this is not the first time that Malaysia has had to deal with unexpected external shocks which threaten our economic well-being. As was the case in the past, the Government has adopted measures to overcome problems that may arise and maintain our competitive edge.

Prime Minister Datuk Seri Dr Mahathir Mohamad has reassured the people that Malaysia is blessed with strong economic fundamentals such as low rates in inflation and in the producers price index.

Keeping prices down while pursuing economic growth is not an easy task, but Malaysia has consistently managed to achieve this during most of the last four decades.

Malaysia's other strengths include political stability and strong leadership which will help see us through the economic turbulence ahead. The country's infrastructure is among the best in the developing world and in certain areas such as the KLIA, are comparable (if not better than) with those in developed countries.

But Malaysians will also have to accept and cope with the realities of the new economic environment. The growth rate forecast earlier will have to be revised downwards and the people must learn new skills and adapt quickly to new technologies to keep abreast with our competitors. Good macroeconomic policies have laid the foundation for the country's progress but the people must also be motivated, have a thirst for knowledge and continuously improved upon their skills. We have to be efficient and productive to compete with countries such as China and India which have the advantage of lower labour costs.

The Government's stimulus package will generate economic activities and create jobs. Reports that the money has not be quickly and efficiently disbursed are a cause for concern. This situation must be rectified if the benefits of the fiscal measures are to make an impact on the economy.

But there is no substitute for hard work in generating new wealth. The private sector and civil servants must put in their best in facing the difficult times.

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