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## Survival of key industries

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THE government is working on how to ensure the "long-term survival" of certain industries which are strategic to the country's economic wellbeing, International Trade and Industry Minister Datuk Seri Rafidah Aziz said.

She did not want to identify the industries as yet but characterised them as having substantial export potential, high capital investment and with a large base that has spillover effects on several economic sectors.

Her ministry is preparing a paper on the matter which will be submitted to the Cabinet within a month.

"We've been thinking about this for some time but the Sept 11 incidents have prompted us to work faster," she told a media briefing at her ministry yesterday.

Following the terrorist attacks in New York and Washington that day the global economic climate has worsened.

It prompted Malaysia to come out with an additional economic stimulus package intended to maintain economic stability and stave off a recession.

The "survival" paper is in addition to the 25-page submission MITI has sent to the Treasury for possible inclusion in the 2002 Budget that Prime Minister Datuk Seri Dr Mahathir Mohamad will table in the Dewan Rakyat on Oct 19 in his capacity as finance minister.

Rafidah explained that the Government is pulling out all stops to make sure the Malaysian economy keeps its head well above water in the uncertain foreseeable future.

The RM3 billion economic stimulus package announced in March had focused more on project implementation that would have a spillover effect on several sectors of the economy.

She said the additional RM4.3 billion package announced last week was much more widespread, encompassing even rural economic activities.

Her ministry's strategy, in line with this approach, is on two fronts in particular - exports and small and medium industries/enterprises.

MITI's stress to exporters is never to slacken but instead use the opportunities arising from the present global downturn to promote their products and services.

Rafidah strongly believes that there are still plenty of opportunities to export to the US despite the economic slowdown in what is Malaysia's number one trading partner. "In the US, as well as in Japan, there is scope for selling other products. Their economies are huge."

MITI's rallying call to exporters therefore is to "maintain and increase" their level of exports, she said.

She pointed out that the Asean Free Trade Area, which is due to come into effect in 2003, "is already working for us."

"We must aggressively expand our exports. There has to be a mix of patriotism and market survival.

"If buyers overseas express any reservations in the wake of the Sept 11 incidents, invite them over to see how stable our country is and how it is good for business."

She said the overseas offices of MITI agencies such as the Malaysia External Trade Development Corporation and the Malaysian Industrial Development Authority are also intensifying their networking in both the private and public sectors and passing along the same message, that Malaysia is pro-business.

On SMIs, Rafidah described them as being in the best possible position to contribute to economic growth. "They can generate a lot of momentum and also add value to the economy." To help them be more effective, MITI is reviewing the various funds for them.