

# We've done good

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## PM: Race ties better than ever, economy on sound footing

**KUALA LUMPUR:** The relationship among different communities in the country is better today than at any other time in history, says Prime Minister Datuk Seri Dr Mahathir Mohamad.

"Although we have not achieved our target, the fact is economic disparities among the races have been reduced," he said when tabling a motion on the mid-term review of the 8th Malaysia Plan in the Dewan Rakyat yesterday.

From owning only 2.4% of the national wealth in 1970, bumiputras today own 19.1% of a much bigger aggregate wealth, estimated at RM73 billion last year, from RM126 million in 1970.

Mahathir, who was making his last address as prime minister in Parliament before stepping down today, said that the government succeeded in ending the 1969 racial riots and learnt a lot from the tragedy.

"The coalition government devised the New Economic Policy to distribute the country's wealth in a fair manner.

"While the redistribution of wealth is being made, the economy grew fast. If not for the attack by the rogue currency traders, the growth could have reached an average of 7% each year," he said.

Although this target was not achieved, he said, the government still managed to revive the economy much faster compared with other countries.

He said the government is confident of achieving 4.5% growth this year.

"Our financial situation is sound. The country's external debt is at 48.2% of the Gross Domestic Product, lower than the level considered as safe.

"Our external reserve is also high at RM159.4 billion or US\$41.9 billion on Oct 15 this year. Our trade shows a surplus for 70 continuous months."

He said the country must ensure its products can compete in the world market although this might be difficult as the wages of workers here are higher than that of neighbouring countries.

Mahathir said workers' wages could be increased by improving their productivity through better skills and knowledge, and

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investments in more sophisticated equipment, reports Bernama.

He also said the government will continue to control the cost of living by controlling prices so the people can continue to enjoy a good living standard while ensuring that exports remain competitive.

"There is no use raising incomes if it will all be swallowed by the increased cost of the goods and services that we buy.

"In other words, increases in income which are followed by inflation are of no

benefit. Furthermore, those who saved would incur losses and the country's economy will regress. Because of this, our approach to handling our national economy and finances will be maintained," he added.

Mahathir announced two measures to boost bumiputra equity ownership - a new investment institution to mobilise bumiputra resources and awarding at least 60% of procurements and contract works in government projects to responsible, competent and capable bumiputras. (see Page 2).