

Brighter prospects for the nation in '84

PRIME MINISTER Datuk Seri Dr Mahathir Mohamad forecasts brighter econom-

ic prospects for the country in the coming year, with an expected growth rate of six per cent as against 5.6 per cent this year.

He said that after "a bad patch" in the last two years, the Malaysian economy had started picking up.

Export commodities were fetching better prices and "we could look forward to a brighter 1984," he said.

With increased shipments of liquified natural gas (LNG) from Bintulu, Malaysia's export earnings would be considerably more in the coming years, he said.

Export earnings of LNG are expected to total \$1 billion this year and to reach \$4 billion in 1986 when production peaks.

Datuk Seri Dr Mahathir said he also based his forecast not only on the upturn in the world economy, but on the ringgit's strength

against the US dollar. The exchange rate has not changed very much in the recent months.

In addition, interest rates remained at a constant and relatively low level.

"That is the single most important factor to stimulate investment. So long as we have low interest rates, I think the recovery will be easier," he said.

He hoped that economic activities and investments would increase because of increasing consumer demand.

The Government, which has drastically pruned its expenditure, would continue to "exercise prudence in the management of the economy and the finances of this country," he added.

Of the total Budget of \$27,692 million for next year, development expenditure is pegged at \$8,676 mil-

lion — slightly less than the \$8.8 billion for the previous year.

Datuk Seri Dr Mahathir said that the privatisation programme would help increase efficiency in utilizing resources.

It would also enable the Government to channel adequate amounts for programmes to help the poor, particularly farmers and fishermen. These programmes had to be curtailed for lack of funds.

On the move to extend the New Economic Policy (NEP) beyond 1990, Datuk Seri Dr Mahathir said a decision had yet to be taken on the matter.

He said bumiputras must acquire managerial and business skills, "otherwise this would make the whole exercise futile."

On shares bought by bumiputras through the

Amanah Saham Nasional he said the question of share transfer had to be carefully studied.

"The Government is in a dilemma because not to allow resale of the shares will be to deprive bumiputras of the benefit of capital gains. To allow resale can very well mean reduction in the accumulated share they have."

On foreign loans, Datuk Seri Dr Mahathir said the Government's borrowing programme would be consistent with the need to promote necessary growth.

"We will have to be judicious about the level of borrowings," he said. — AFP