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KUALA LUMPUR, APRIL 14 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD GAVE AN ASSURANCE TODAY THAT MALAYSIA WILL HONOUR ALL HER LOANS AND THAT THEIR REPAYMENTS WILL BE ON TIME.

HE WAS CLARIFYING NEWS REPORTS YESTERDAY QUOTING HIM AS SAYING THAT MALAYSIA WAS SEEKING TO RESCHEDULE HER LOANS.

PRESS SECRETARY TO THE PRIME MINISTER ENCIK JALALUDDIN BAHAUDIN SAID TODAY THAT THE NEWS REPORTS HAD MISQUOTED THE PRIME MINISTER.

THE PRIME MINISTER WHEN OPENING A SYMPOSIUM ON + BUMIPUTRA ECONOMIC CRISIS+ ON SATURDAY HAD TOUCHED ON THE CURRENT ECONOMIC SITUATION THAT THE COUNTRY WAS FACING.

HE HAD SAID THAT THE MALAYSIAN ECONOMY WAS FACING A SLOWDOWN WHERE PRICES OF ITS COMMODITIES HAD DECLINED AND AS AN EXAMPLE, WITH THE APPRECIATION OF THE YEN AGAINST THE RINGGIT, MALAYSIA NEEDED TO HAVE MORE RINGGIT TO REPAY HER YEN LOANS.

ENCIK JALALUDDIN SAID THAT DATUK SERI DR MAHATHIR HAD ALSO SAID THAT THE INCOME FOR 1987 WAS EXPECTED TO BE LOWER AND THAT THE GOVERNMENT WOULD FIND IT DIFFICULT TO GRANT ENOUGH ALLOCATIONS TO THE VARIOUS NEEDS FOR DEVELOPMENT.

+THE PRIME MINISTER DID NOT SAY THAT MALAYSIA WOULD SEEK TO RESCHEDULE HER LOANS,+ ENCIK JALALUDDIN SAID.

+HE GAVE AN ASSURANCE THAT THE GOVERNMENT WILL HONOUR ALL LOANS AND ALL REPAYMENTS WILL BE ON TIME.+ -- BERNAMA
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