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Mahathir - inflation

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LANGKAWI, Aug. 15 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the people should reduce their demand for imported goods to check inflation.

By buying imported goods from countries with inflation the people would import inflation to this country, he said.

Datuk Seri Dr Mahathir also urged the people not to buy goods whose prices had been increased.

+What is most important is that the people should not be willing to buy goods whose prices had been raised and if they do this there will not be price increases,+ he added when asked to comment on the two new financial packages to control inflation announced by Bank Negara yesterday.

He said: +If we have enough money we buy, if we dont have enough money, we refrain from buying. If there are people who sell goods at high prices, we just don't buy from them and look for people who sell cheap.+

He also urged the people not to buy non-essential items as this would help bring down prices.

Though the government would play its role to control inflation, the people too could help, he said. -- more

♥15/08/19-20MST

CNS91.45

R GE 15-0800200 EA850

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Mahathir - inflation 2 (last) Langkawi

Bank Governor Tan Sri Jaffar Hussein yesterday announced two packages involving the Statutory Reserve Requirements (SRR) and hire-purchase loans for motor vehicles.

The SRR of commercial banks and financial companies was raised with effect from yesterday by one point to 7.5 per cent

Bank Negara also made it compulsory for all banks, financial institutions and merchant banks to restrict financing to 75 per cent of the market value of motor vehicles with effect from today.

Asked whether the Bank Negara move would affect the sale of the national car, Proton Saga, the Prime Minister said: +We don't want people to buy the Proton Saga to the extent of owing millions of ringgit.+

He added it was the government's policy to safeguard the public interest in general and not just one body.

+If we have too many hire purchases with long repayment periods, more people who do not have the means will buy (cars),+ he said.

This would cause an increase in demand and push the price of vehicles higher and inflation would set in, he added. -- Bernama

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