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RECEIPTS FOR ALL TRANSACTIONS SOON, SAYS PM

SHAH ALAM, May 19 (Bernama) -- The government is considering a proposal to require purchases of all goods and services to be issued receipts, in the campaign to cap inflation rates, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the move was being discussed following the implementation of the price-tagging rule for all goods.

The fight against inflation is long term and continuous, he told newsmen after opening the RM260 million Proton Casting plant here.

He stressed that efforts to cap inflation needed careful planning.

A Cabinet committee, chaired by the Prime Minister, has been set up to bring the inflation rate of about 4.5 percent now, to its lowest level.

When asked what was the ideal inflation level for Malaysia, he said: +Zero rate but without choking growth of the economy.+

He said Malaysia had successfully maintained the inflation rate at below five percent despite the rapid economic growth witnessed over recent years.

Asked about the yen appreciation and its effects on Malaysia's yen loans, he quipped: +This means we have to look for more money.+

He said the yen's appreciation against the US dollar was caused by the Group of Seven countries trying to reduce their swollen trade deficits with Japan.

Asked if Malaysia would swap the yen loans for other denominations, he said swapping of loans was done all the time.

Yen denomination loans constituted 33 percent or RM13.8 billion of Malaysia's RM41.4 billion external debt at end-1992.

He said the yen appreciation was also one of the factors behind the costlier Proton cars.

The new Proton Wira which is expected to hit the street next month, is expected to cost in the region of RM40,000.

Auto components from Japan were more expensive now, he said.

Less than 30 percent of the national car components are from Japan. --
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