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Anwar: Deficit forecast inaccurate

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DEPUTY Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim has dismissed as "inaccurate" a forecast that the country's current account deficit will exceed RM20 billion this year.

"The forecast may be accurate if the ringgit continues to weaken until the end of this year. But this forecast is based on several current developments ... I think it is inaccurate," he told reporters in Kuala Lumpur last night.

Some analysts said Malaysia would register a current account deficit of over RM20 billion this year, against an earlier official forecast of RM14.8 billion.

On Wednesday, Prime Minister Datuk Seri Dr Mahathir Mohamad also said it was possible that the deficit will be higher this year if the ringgit continues to be pushed downwards, resulting in higher cost of imports. The Government, however, will continue to reduce unnecessary imports, Dr Mahathir had added.

On the freeze of new recruitment of foreign workers, Anwar, who is also the chairman of the Cabinet Committee on Foreign Workers, clarified that the decision was actually imposed about 18 months ago.

"Since there were appeals - which we have rejected but which we were made to be seen as still considering them - Datuk Tajol Rosli (Ghazali) was asked to make a statement," he said.

He said this in response to news reports yesterday, quoting Tajol Rosli, the Deputy Home Minister as saying that the Government will not entertain new applications for hiring foreign workers in all sectors, including the domestic help.

According to the news reports, the Government has effectively frozen all intake of foreign workers by extending the recruitment ban in the manufacturing, construction, plantation and services sectors to cover domestic help. This, according to Tajol Rosli, was to ensure the employers give priority in hiring the locals and stop the employers from thinking that they have the right to hire the foreigners.

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