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ANWAR: EXPECTATIONS OF WIDER DEFICIT THIS YEAR ON WEAK RINGGIT NOT ACCURATE

KUALA LUMPUR, Aug 21 (Bernama) -- Expectations of a wider current account deficit this year, based on perceptions that the ringgit will remain weak throughout the year, are not accurate, said Deputy Prime Minister Datuk Seri Anwar Ibrahim today.

"The forecast is made on the basis that the ringgit will remain weak until the end of the year," he told reporters at the 31st Malaysia-Singapore Congress of Medicine here.

"It is based on a few current developments...I think it is not accurate," he added.

The ringgit ended the day slightly higher at 2.7630/60 to the greenback against yesterday's closing of 2.7665/95.

For 1996, Malaysia recorded a current account deficit of RM12.252 billion.

For the first quarter of this year, the current account deficit was at RM1.8 billion, which was an improvement compared to deficits of RM4.5 billion and RM3.2 billion registered in the fourth and first quarters of last year respectively.

Prime Minister Datuk Seri Mahathir Mohammad recently told traders to to reduce their imports of unnecessary goods, especially construction machinery like mechanical hoses and excavators to reduce the country's deficit.

Dr Mahathir said the government would be forced to impose restrictions on imports, especially of heavy machinery for the construction industry, if traders did not reduce them voluntarily. -- BERNAMA

DAB SHY