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Anwar-Budget

BUDGET '98 WILL CONSOLIDATE ECONOMY AND STRENGTHEN RINGGIT

BATU PAHAT, Oct 7 (Bernama) -- Deputy Prime Minister Datuk Seri Anwar Ibrahim is confident the 1998 Budget to be tabled in Parliament next week will rejuvenate the economy and strengthen the ringgit which has been declining.

He said he based his confidence on the country's sound economic fundamentals, which among things included a low inflation scenario, good foreign reserves position and attractive investment climate.

"It's not possible for the ringgit to depreciate further," he said when launching the Bandar Putra Indah project at Jalan Parit Jalil here.

He called on the people to remain united and give their resolute support to Prime Minister Datuk Seri Dr Mahathir Mohamad and his leadership.

"It doesn't matter what they say in the foreign news reports. This concerns our people...we know what is good for us. We have to manage our domestic affairs on our own...we want to work together in solving the currency crisis.

"We must understand our economic problems. We know the currency must be tied to strong economic fundamentals, reserves must be high...a high national savings rate which is 39 per cent of Gross National Product (GNP), compared with other countries," he said.

He said that managing an economy was similar to managing a household, that is avoiding spending more than you earn.

Anwar said the government's pre-payment of debts had put the country in good stead to overcome the current economic problem.

It was also the same in property. He said the government's foresight in imposing strict conditions in high growth areas such as Johor Baharu, Pulau Pinang and the Federal Territory enabled the country to face the economic problems.

In pre-paying its debts, the government was able to settle between RM1 billion and RM2 billion in loans a year.

"If some of the measures were taken now, they would not be timely...(they) have to be taken from the beginning, a few years ago...that is why we are no longer indebted," he said.

Anwar reminded the people that when debts exceeded income, the spillover effects of a declining economy would be felt by its neighbours including Malaysia.

However, he said the effects of financial, economic and the downturn of the stock market should not be borne by the government alone but also by all.

He said property developers should stop importing materials from other countries.

"When imports increase, and exports do not rise in tandem, then a current account trade deficit occurs. A country will be strong if we can sell more than we buy from outside," he said.

"Now, we are importing more...that is why we must stop (importing) what we don't need. We must persevere a little so that it encourages domestic industries which directly will help overcome the current account deficit," he said.

He also reminded developers to ensure that their projects provide both quality and comfortable homes.

"I have reminded them many times and developers should not provide low

quality work. I will ask those developers who do this to stay in those houses for a few days," he said. -- BERNAMA

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