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Daim dispels recession fears (HL)

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KUALA LUMPUR, Thurs. - Economic Adviser to the Government Tun Daim Zainuddin said the current currency crisis and the stock market decline would not lead the country into a recession.

Dispelling fears among certain quarters about the country's economy, Daim described the situation as "a blip", adding:

"Our strength and resilience will see us through this blip. The present situation is of a transient nature."

Reiterating that there was nothing fundamentally wrong with the country's economy, Daim said:

"What is important is that we do not lose confidence in our present system. We must take a long-term view of the economy."

Speaking at the launch of a book documenting Malaysia's economic development, policies and success stories, Malaysia Today, Daim said: "Malaysia is today a role model for many countries, particularly the developing nations.

"We have received many visitors from all over the world who wish to emulate or learn from Malaysia's success strategies.

"Publications such as Malaysia Today would help to ensure that the international public could access accurate and the right kind of information about the country.

"This is particularly important when there is, in the international media, considerable disinformation about Malaysia. In this regard, the state of our economy is a good example where misinformation has led to confusion."

Daim's remarks followed earlier ones from Prime Minister Datuk Seri Dr Mahathir Mohamad and his deputy and Finance Minister, Datuk Seri Anwar Ibrahim, who said that steps were being taken to further reduce the current account deficit and ease inflationary pressures.

He said these steps would boost confidence and do the country a lot of good.

Daim, when speaking to reporters later, was asked whether more measures were needed.

He replied: "I don't want to comment on that. Wait for the Budget. You don't expect the DPM (deputy Prime Minister) to come out with (more measures) immediately when the Budget is very near."

The 1998 Budget is scheduled to be tabled by Anwar on Oct 17.

Asked to comment on foreign news reports that the recent policies announced by the Government have scared foreign investors away, Daim said:

"We have always welcomed foreign investors. Our success is based on foreign direct investments. We have never scared anybody away."

Asked why the stock exchange was still "choppy," Daim said: "The market is not everything."

On his recent meetings with foreign fund managers, Daim said the purpose of the meetings was "to listen to them and get their feedback".

"They told us that they were concerned about the current account deficits and so-called mega projects. All these have been addressed.

"They now understand and are very positive. We will continue to listen to the voice of the business community," he added.

On this score, the dialogue with foreign fund managers continues with another one tomorrow, between them and Anwar.

Daim said: "The meetings can be held whenever they want. We are open to

discussions.

"The Malaysian Government is based on constant consultation."

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