

11 APR 1997

Mahathir-Inflation

MALAYSIA SERIOUS IN CONTROLLING INFLATION, BRITISH TOLD

KUALA LUMPUR, Apr 11 (Bernama) -- British top businessmen and corporate figures were today told of Malaysia's efforts at controlling inflation in its ambitious programme to bring the rate down to zero.

Prime Minister Datuk Seri Dr Mahathir Mohamad said: "We have been seriously controlling inflation in this country and our aim is to control inflation to a bearable level until we achieve zero inflation".

He was replying to a question raised by a British delegate during a dialogue session at the joint meeting of the British-Malaysia Society and Malaysia-British Society at the Putra World Trade Centre (PWTC) here.

The British businessman wanted to know the secret behind Malaysia's success in curbing the inflation rate to remain as low as three-and-a-half per cent.

Dr Mahathir said there was no reason for inflation and therefore there should not be any increase in price of goods, particularly essential ones.

"In achieving the zero inflation target, the main thing to do is to ensure the cost of production remains low so that the government can increase wages of its workers," he said.

"We shall continue to try and reduce the inflation rate because if wages go up and purchasing power remains the same, it is meaningless," he added.

The Prime Minister said fortunately the trade unions in this country fully understood the situation and the government constantly informed them that it was quite difficult to control prices of imported goods.

He added that actually inflation and depreciation of currency was the same thing, nevertheless the government was determined to work hard to control any inflation.

Chairman of British-Malaysia Society, Lord Prior, praised Dr Mahathir for being present to officiate the opening of the joint meeting although it was learnt that the Prime Minister had a cold and a busy week after his tour of Bahrain, Kuwait and Pakistan.

"Any other senior politician would have excused himself, but not Dr Mahathir whom I know. Anyway I would like to advise him not work so hard," said Prior who is also chairman of General Electric Company, GEC.

Chairman of Malaysia-British Society is Tan Sri Zainal Abidin Sulong.

-- BRNAMA

ZAB AO