

06 DEC 1997

LIMA-Kit Siang

NEW ECONOMIC MEASURES HAVE RESTORED SOME CONFIDENCE, SAYS KIT SIANG

LANGKAWI, Dec 6 (Bernama) -- Opposition leader Lim Kit Siang today emerged from a meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad expressing support for the new economic measures announced by the government yesterday which he said have restored "some confidence" in investors.

He described the measures as a step in the right direction.

"It has boosted ... restored some confidence. But whether it has been able able to fully restore confidence, I think it is yet to be seen" he told reporters after the 40-minute meeting with the Prime Minister here.

Dr Mahathir is here to attend the fourth Langkawi International Maritime and Aerospace (LIMA) Exhibition.

Lim, who is also the DAP secretary-general, reiterated his stand that a second 1998 budget should presented in parliament as a follow up to the latest measures.

Yesterday Kelantan Menteri Besar Datuk Nik Aziz Nik Mat met Dr Mahathir here for about 30 minutes to request for financial assistance from the federal government for the PAS-led state.

Lim said the current Dewan Rakyat sitting, which ends on Monday, should be extended by another week to enable the tabling of the second budget following what he described as the failure of the 1998 Budget to restore investors' confidence.

Yesterday, Deputy Prime Minister Datuk Seri Anwar Ibrahim announced a series of austerity measures including an 18 per cent cut in federal spending.

He also scaled down the nation's growth rate for next year to between four and five per cent to restore investors' confidence.

Other measures include cutting the current accounts deficit from four per cent to three per cent of Gross Domestic Product by end of next year and deferring all mega projects, including the land bridge between Malaysia and Thailand.

Another measure announced was protecting depositors in the banking system.

The DAP leader said things had become worst after the 1998 Budget was tabled in Parliament on Oct 17.

"So what has happened yesterday (when the new measures were announced) is a step in the right direction, quite late but not comprehensive enough, there should be a second Budget covering yesterday's proposals and other proposals in order to make a more significant impact on the economic crisis," he said.

On his meeting with Dr Mahathir, Lim said he exchanged views with the Prime Minister on the country's economic situation.

"The PM gave us an explanation of the economic crisis and we gave the Prime Minister our views on the various aspects of the national economic crisis," he said but declined to elaborate.

Lim said he also discussed with Dr Mahathir DAP's participation in the proposed National Economic Action Council scheduled to be set up this month.

Meanwhile, Works Minister Datuk Seri S Samy Vellu, in welcoming the latest measures, said his ministry had taken several serious measures to reduce not-so-urgent projects.

"We will not have any unnecessary expenditures," he said when contacted

in Kuala Lumpur today.

Samy Vellu said he would monitor and see to it that implementation of Public Works Department and ministry projects would not incur wastage of government allocation.

Samy Vellu, who is also MIC president, said the latest measures would "put the house in order."

"This is the best news. With these measures, everyone, the private sector included, should take steps to tighten their belts," he said.

He also welcomed the government's move to protect depositors in the banking system, saying it was good news for the poor who now would be able to have a peace of mind.

Samy Vellu called on the people to spend their money wisely.

"But the best thing to do now is to save, save and save," he added. --

BERNAMA

ES rn