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Mahathir-Economy

NEW MEASURES WILL BOOST ECONOMY, SAYS MAHATHIR

LANGKAWI, Dec 7 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the latest package of economic measures announced by the government are aimed at restoring investor confidence in the economy.

"We have decided on these measures... but I cannot say how much clearer we can be," he said in response to reporters' questions on the measures.

"But certainly it is clear that we are taking the necessary measures to restore confidence in the economy," he told a news conference on the last day of the sixth-day of Langkawi International Martime and Aerospace (LIMA '97) exhibition here.

Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, who announced the measures last Friday, said the country's growth projection for 1998 had been reduced from seven per cent to between four and five per cent.

The measures included a further revision to strengthen the balance of payment position by reducing the current account deficit from four per cent of GNP in 1998 to three per cent, and to protect depositors' interests.

To achieve this, the Government will cut federal expenditure by at least 18 per cent beginning with a 10 per cent cutback across the board of both operating and development expenditure and eight per cent on a more selective basis.

On his meeting with Opposition Leader Lim Kit Siang here yesterday, Dr Mahathir said they discussed the proposed National Economic Action Council (NEAC) and the economic problems faced by the country.

He said he explained to the DAP secretary-general that the additional measures would involve sacrifices on the part of everyone.

Dr Mahathir said he wanted the DAP to understand "why we need to take those sacrifices if we want to recover".

Yesterday, Lim told reporters after his meeting with Dr Mahathir that the DAP supported the new measures which he said would "restore some confidence" among investors.

On the DAP's request to be a member of the NEAC which is expected to be launched this month, Dr Mahathir said: "At the moment there is no plan to admit DAP or PAS or whoever."

On his trip to Teheran to attend the Organisation of Islamic Conference (OIC) summit next week, Dr Mahathir said he will meet other heads of governments to discuss current problems.

Asked if he would propose any steps to strengthen cooperation among OIC members, the Prime Minister said he would not forward any special measure.

Dr Mahathir had told Iran's Islamic Republic News Agency, in an interview in conjunction with the OIC summit from Dec 9 to 11, that the OIC had not lived up to expectations and should do more to strengthen the solidarity of Islamic nations. -- BERNAMA

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