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M'SIAN ECONOMIC GROWTH SIX PERCENT OR LESS NEXT YEAR, SAYS DR M

By: Mohd Fisol Jaafar

TOKYO, Nov 28 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia is not expected to post robust economic growth as in the previous years as the country has been stifled by the currency market problems over the past four months.

He foresees a growth of six per cent or even less for next year, adding that the country was reducing the focus of its gross domestic product (GDP) rate in the wake of its present difficulties.

"This year, perhaps we can achieve about seven percent. Of course, next year the figure will go down further because companies which were profitable before have now been made no longer profitable, except those export-oriented companies," he said in special interview Japan's financial newspaper Nihon Keizai Shimbun and the Tokyo Television network here.

Dr Mahathir, who arrived here last night for a two-day working visit to the Japanese capital after attending the Asia-Pacific Economic Co-operation (Apec) Leaders Summit in Vancouver, also did not rule out the possibility of a delay in the implementation of zero tariffs under the Asean Free Trade Area (Afta) set by the year 2003.

He said: "Since we go down all together, although there are differences in the effects of the economic problems, we will have to study the impact.

"As far as I am concerned, I think Afta will be slightly delayed. But we will work towards achieving the implementation of Afta on schedule. But of course, each country would like to reduce their imports."

The prime minister said the matter would be raised during next month's Asean informal summit in Kuala Lumpur.

To a question whether Malaysia's move to reduce imports on automotive goods and heavy machinery was a temporary measure to tackle the economic problems, Dr Mahathir said this was necessary if the country wanted to reverse the balance of payments (BOP).

Besides the BOP considerations, he said the country also wanted to avoid imported inflation that could affect the country's economy.

The government, he added, has to study whether the measures taken to reduce imports would be effective in tackling economic woes in the next few months. -- BERNAMA

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