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Umno meet ends on high note with proposals to boost economy

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KUALA LUMPUR, Sun. - The Umno annual general assembly ended on a high note today with several announcements to further strengthen the country's economic resilience.

Umno deputy president and Deputy Prime Minister Datuk Seri Anwar Ibrahim made the announcements in his winding-up speech at the end of the Umno gathering today.

Anwar, who is also Finance Minister, said one of these measures include doubling the investment ceiling in the Amanah Saham Nasional and Amanah Saham Bumiputera from RM100,000 to RM200,000.

Later, at a Press conference, Prime Minister Datuk Seri Dr Mahathir Mohamad said that if 50,000 unitholders with RM100,000 in their accounts increase their savings to the new ceiling, ASN and ASB will in turn have an additional RM5 billion.

The announcements were also aimed at enhancing the country's economic position in the light of the recent attacks on the currency and share prices.

Higher savings would help finance investments with domestic sources without the country having to borrow excessively, Anwar said.

Defending the country's economic fundamentals, Anwar conceded that the problem the country was facing was the current account deficit, which was not a new problem and which was being managed.

Anwar said that the Government expects to reduce the deficit further from 5.2 per cent of Gross National Product last year to even lower this year.

"In fact, the matter was being looked into by a Cabinet Committee headed by the Prime Minister," he added.

Anwar also cited a report from the International Monetary Fund board meeting dated Sept 5 which commended the Government's measures in bringing about the "timely reduction" in the current account deficit and the country's strong fundamentals.

He added that the Government was confident of maintaining the country's growth next year while keeping inflation at between 3.5 and 3.6 per cent.

He also said the country's debt service ratio of six per cent was among the lowest among developing countries.

Further to an earlier announcement that Khazanah Nasional Bhd would issue a RM30 billion bond to help boost investments on the local stock exchange, Anwar said that details of this would be made known on Wednesday.

The rest of the fund will be raised in stages, he added.

Anwar also said the Government would further simplify guidelines on share buy-back schemes to facilitate listed companies to buy-back their own shares.

The guidelines, initiated by the Registrar of Companies and which took effect last week, are aimed at boosting the Kuala Lumpur Stock Exchange, he added.

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