

# PM: Business has picked up

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## Economy expected to recover next year, thanks to controls

KUALA LUMPUR: Prime Minister Datuk Seri Dr Mahathir Mohamad says that business activity has picked up in the country.

This follows the positive contribution from various economic measures undertaken by the Government, including the imposition of selective exchange controls imposed from Sept 2 this year.

The controls had contributed positively towards the country's march towards economic recovery, he said in an interview with *Bernama* TV yesterday (see

page 5 for full transcript).

This, he said, could be seen from the rise in the Kuala Lumpur Stock Exchange Composite Index (KLSE CI) to more than 400 points now from 262 at one time as well as the improved position of the country's foreign exchange reserves.

The KLSE CI closed at 465.08 points on Friday while Malaysia's foreign reserves rose to US\$22.99bil (RM87.3bil) as at Oct 22 from US\$20.2bil (RM76.7bil) in August.

The trade balance was also in Malaysia's favour and

sales of motor vehicles and houses had risen," said Dr Mahathir.

In the first nine months of this year, Malaysia recorded a trade surplus of RM38.75bil compared with a deficit of RM1.5bil in the January-September 1997 period.

Dr Mahathir said the Malaysian economy would recover next year although it would take some time to achieve the previous growth levels of 8.0%.

The Malaysian economy is expected to record a negative growth of 4.8% this year

while next year's growth is anticipated at 1%.

"Growth does not only depend on what we do in the country. If our trading partners face problems, they will not be in a position to buy from us and this will affect economic growth," Dr Mahathir said.

Asked on Thai Prime Minister Chuan Lekpai's call for Malaysia to relax currency controls because they were affecting border trade and tourism with Malaysia, Dr Mahathir said he would have to get more details before he could decide.

On calls by certain quarters for some adjustments and administrative relaxation to currency controls now that the ringgit had stabilised, especially with regard to filling the Customs declaration forms, he said form-filling was not an inconvenience.

"This kind of form-filling is general throughout the world.

"It is only in Malaysia that we have been very relaxed before," he added