

# Better growth soon, says PM

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and STEPHEN THEN

KUCHING: The economic situation in the country should improve in the third and fourth quarter of the year, Datuk Seri Dr Mahathir Mohamad said.

"I am confident we can reduce the contractions (of the GDP) in the third and fourth quarter," he told a press conference yesterday at the end of his visit to Sarawak.

The Prime Minister said Malaysia had faced unusual and difficult situations many times before and suc-

cessfully overcome them.

"I have a belief that unusual things require unusual solutions. I want to have the minds of the people prepared so that whatever we (Government) do, they must support.

"Sometimes under normal circumstances, they support us but under unusual circumstances, they may not support. Because of this, we may not succeed.

"I am trying, through this tour, to prepare the minds of the people to handle this unusual situation," he said.

Dr Mahathir said his tour of the country, which he had now concluded, was to explain clearly to the people the actual situation in the country.

"Some who don't feel it, don't understand. The GDP has gone down by 7% and we have to understand what is meant by this," he said, adding that the response was good and the people had given full support to the Government.

He said Malaysia's export markets had deteriorated because the importing countries were also facing economic problems.

<sup>S 29.8.98</sup>  
"That is why we face a decline. Take the example of our timber. Because Japan is facing a recession, they cannot buy our wood to construct houses and industries.

"The whole region becomes affected because purchase has gone down," he said.

He cited the depreciation in value of the Indonesian rupiah as an example saying since the rupiah had become cheaper, Malaysia also faced setbacks in its exports there.

Dr Mahathir again warned of the threat posed by

financial speculators to the world, and not just Asia.

"We have asked the IMF to help. I have also explained to the United States and other countries that they will be affected, but they said they cannot do anything.

"I know they can because they have arrested a few speculators before when their economies were threatened.

"Now, they are not yet threatened. I hope and pray they will also feel the kind of problems we face. At that stage, I am sure, their governments will

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suddenly find they have the power to solve it," he said.

Dr Mahathir estimated that there were at the most, only about 1,000 currency speculators worldwide.

"For the sake of these 1,000 who want to make billions for themselves, tens of millions of workers have been deprived of jobs and poor people have been made poorer," he said.

The world, he said, still protected people like (George) Soros who wanted to be ultra-rich although speculators were already very rich.