

PM: Govt will carry out the plan in full

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KUALA LUMPUR: The Government will implement most of the recommendations of the NEAC in full unless specific objections are raised, Datuk Seri Dr Mahathir Mohamad said.

"We have already started implementing some of the recommendations, for example, the Asset Management Company (Danaharta)," the Prime Minister said yesterday at the Putra World Trade Centre after a dialogue with local trading companies.

He said the Government had also started the Special Purpose Vehicle to recapitalise banks, and began borrowing money and issuing bonds.

"These are NEAC recommendations. At the same time, the NEAC has also started studying every sector," he said.

Dr Mahathir said that for example, the policy in the agricultural sector was to produce more food domestically.

"A lot of things have already been implemented," he said.

He also said that interest rates had been reduced partly because the Government had reduced the statutory reserves of banks.

His deputy, Datuk Seri Anwar Ibrahim, said the Cabinet would study the implications of the NEAC plan in detail.

On interest rates, Anwar, who is the Finance Minister, said the Government must ensure that they were not prohibitive as it would discourage business or viable business activities.

"We are gradually reducing interest rates as you can see. However, we are not in a position to release the numbers."

Anwar said the World Bank had disbursed US-\$300mil and the balance of US\$700mil would be given by year's end.

He said Malaysia would raise RM53bil through bond issues locally and overseas.

"We have decided that based on requirements we will need RM25bil for the Asset Management Company, RM16bil for bank recapitalisation, RM5bil for infrastructure funding and RM7bil for the economy stimulus package.

"Tun Daim and I will be leaving for overseas soon for this purpose," he said.