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Affifuddin: ASN able to weather economic woes

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AMANAH Saham Nasional (ASN) can weather the present economic problems even if it is extended to four years due to its strong financial position.

Deputy Finance Minister Datuk Dr Affifuddin Omar said manager of ASN, Permodalan Nasional Bhd (PNB), can put ASN on a stronger footing if the country's economy recovers.

"Based on the profits and reserves of ASN, if the crisis is not prolonged until four to five years, ASN can withstand the present economic pressure.

"With high quality stocks now at low levels. I am sure PNB is taking advantage of this," he said in reply to a supplementary question by Datuk Shukri Mohamed (BN - Machang).

\* THE Government plans to source new loans - RM6 billion locally and US\$3 billion (US\$1 = RM4.15) from abroad - by the end of this year to stimulate the country's economy.

Deputy Finance Datuk Dr Affifuddin Omar said these new borrowings will come from multilateral institutions such as World Bank, Asian Development Bank, Islamic Development Bank, bilateral loans and capital market loans.

Replying to a question by Tan Kok Wai (DAP - Cheras), he said as of last July 15, the Federal Government has given out loans worth US\$300 million from the World Bank.

To a question by Lim Si Cheng (BN - Senai) who wants to know how the Government plans to implement the massive infrastructural projects as announced by Prime Minister Datuk Seri Dr Mahathir Mohamad last Tuesday, Affifuddin said: "It will come from the various sources that I mentioned earlier."

\* BANK Negara Malaysia (BNM) has stopped investing in the foreign exchange market since 1992, Deputy Finance Minister Datuk Dr Affifuddin Omar said.

Replying to a supplementary question by Lim Guan Eng (DAP - Kota Melaka), he said what BNM did after 1992 was mere market interventions to support the ringgit.

"We should not consider this activity as a loss because a stable ringgit helps to further stimulate the economy," he added.

Affifuddin said nonetheless, BNM's interventions are never meant to bring the ringgit to the 2.5 level but more to check volatile fluctuations of the ringgit against other currencies.

\* OUT of the six fixed network operators who were given licences as Internet Service Providers (ISP), only Telekom Malaysia has been active with its TMNet service.

Deputy Energy, Telecommunications and Post Minister Datuk Chan Kong Choy said the other licencees, namely Celcom, Time Telecom, Mutiara Telecom, Binariang and Prisma Net, have yet to offer such services.

"The five ISPs are expected to begin operations early next year," he said in a reply Hoo Seong Cheng (BN - Kluang).

\* DEPUTY Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim said Bank Negara is studying measures to lower interest rates by improving the efficiency and reduce the operating costs of the local banking system.

In his written reply to Lim Guan Eng (DAP - Kota Melaka), he said local banks are reluctant to extend loans because of their tight cash position and need to strengthen their risk-weighted capital ratio.

To another question by Lim, Anwar said the development of derivatives

markets in the country will not pose a problem because locals have the expertise to utilise these hedging mechanisms.

He said Malaysia has three futures markets, namely the Kuala Lumpur Commodity Exchange, Kuala Lumpur Options and Financial Futures Market, and Malaysia Monetary Exchange.

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