

20 JAN 1998

ANWAR: CREDIT GROWTH TO RISE BY 15 PCT TO RM478.5 BLN THIS YEAR

KUALA LUMPUR, Jan 20 (Bernama) -- Deputy prime minister Datuk Seri Anwar Ibrahim said credit growth in the country will rise by 15 percent this year to RM478.5 billion from RM420 billion last year.

He said Malaysian banks were now in a comfortable position but added that it was time for them to be better managed after what had been experienced lately.

Stressing the need for them to be cleaned up, he added, "There are good banks but poorly managed."

Bank officials must be transparent when processing loans, he said in his almost one-hour keynote address at the "Financing to Productive Sectors Dialogue here today.

He said that he had sent a clear message to Bank Negara to monitor the management of local banks.

Anwar, who is also finance minister, also hailed the latest guidelines on margin financing in the stock market and said it meant that such lending was allowed but kept to a certain percentage.

Anwar also said the issue of confidence and perception was strong amidst the country's political environment.

"Just look at Thailand, (South) Korea and Indonesia...I must seek your indulgence and I can say that we are probably one step up because politically, Malaysia is the most stable in the region," he said.

Of course, he pointed out that there were attempts at false statements and allegations, but Malaysia had taken them in a very mature way.

Referring to recent dialogues with his foreign associates, Anwar said besides explaining and talking to these important people, it was also a way of "appealing to them to see the facts for themselves and not just refer to reports because (some) perceptions sometimes can be negative."

"If you say down, everybody thinks it will go down and it definitely goes down and likewise. So we have to instill confidence in our people by putting in positive thinking," he said, adding that that one or two minor corrections (to the stock market) should be "okay" and the people should accept them positively.

"Of course, there are things that are beyond anybody's control such as the regional developments...but we are able to withstand them. In fact, we have not been hurt, this round (of currency turmoil) has give us a lot of confidence," he said.

Anwar also said there were a lot of proposals submitted to undertake several programmes and they have been put under the ministry's consideration, adding that his ministry would always look for good proposals.

Citing an example, Anwar said: "We have taken the International Monetary Fund (IMF) seriously, especially its views, and most people are asking us why do we need to talk to the bank. Why? Because they (IMF) are the central banks' controller."

However, Anwar explained, "We talked to them because they have the experts. But of course we agreed on some (points), some we don't because we do not borrow from them or surrender for any bail-out packages. There is no harm."

As for the country's credit growth, Anwar said he accepted that the fact that it was growing quite rapidly as pointed out by IMF's managing director, Michel Camdessus.

"Towards this end, during the recent Budget, I made a very important policy decision that we have to reduce credit growth...but in other words, credit will increase but the increment will be at a slower pace," he said.

He cited that the credit growth was reduced to 26.4 percent at the end of December last year from 30 percent previously.

Anwar also said that what was happening in other countries would not be the same as what was happening in Malaysia and towards this end, "we could not apply to the same (IMF) prescriptions."

The finance minister, who thanked the IMF and World Bank for their help, said their prescriptions could not be applied to all.

He called on the two institutions to "please make some adjustments as problems would not be the same in terms of the political environment, social cause and sensitivity."

Anwar, while stressing that the country's banking situation remained solid, has called on those who have difficulty in getting loans to refer their problems to the Loans Monetary Unit of Bank Negara.

"Unlike November and December, we had problems because credit loans at that time were already high. But now everything is quite okay...and again it is time to give loans to productive sectors as our economy is now in a very good shape," he said.

Anwar said, "With the right policies, confidence has begun to re-surface over the past two weeks.

"Fund managers are back. Over the last few months we have to appeal to them. Now the key fund managers throughout the world are seen in the market and some major corporations have already moved their headquarters into the country...and they are doing it right now."

Anwar also said that he was confident that sooner or later, the country's economic problems would recover as the gradual improvement was already evident.

"I do not want to put a definite target...in fact Prime Minister Datuk Seri Dr Mahathir Mohamad asked me, would it be three months, six months or two years time? I replied that six months is a reasonable time, six is an "ong" (auspicious) number rather than eight," he quipped.

Anwar, who was addressing more than 200 businessmen, also said, "I have never been a banker or economist. I am simple Penang kampung boy but I know that we are sincere in our direction, we are clear in whatever we do and we are firm." -- BERNAMA

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