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Anwar: GDP growth rate may be revised

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KUALA LUMPUR, Tues. - Malaysia's gross domestic product growth rate for this year may have to be revised from the current forecast of two to three per cent, Deputy Prime Minister Datuk Seri Anwar Ibrahim said.

Anwar, who is also the Finance Minister, added that the new level will be announced soon but declined to give an indication of whether it will become a negative growth rate.

"...We want to see how fast the stimulus package can be implemented," he said after a 1999 Budget dialogue with industry leaders today.

The two to three per cent GDP growth announced in March was the second revision made to an earlier four to five per cent forecast last December.

In October last year, Anwar had projected a seven per cent growth rate for this year. Last year's GDP growth rate was 7.8 per cent.

Efforts are being taken by the Government to stimulate the economy via several measures including establishing new funds, allocating funds and through an asset management company formed to take over banks' non-performing loans.

"As you know, we have daily meetings now presided by Prime Minister Datuk Seri Dr Mahathir Mohamad because these are difficult times which require a total national resolve."

During the dialogue, economic issues were discussed and participants voiced their concern about how long it took to implement approved projects.

Anwar said he explained the Government was focusing on how the additional funds could be used to stimulate the economy.

So far, three funds have been set up.

They are the RM25 billion fund to buy over banks' non-performing loans and a RM7 billion fund for social projects such as education, health and poverty eradication.

Last week, a new RM5 billion infrastructure development bond fund was set up to revive deferred or abandoned critical infrastructure projects.

The fund was also expected to be used to speed up ongoing projects so they will be completed on time to boost the economy, especially the construction sector.

The infrastructure projects included those privatised or under government funding such as the monorail, water and sewerage works, highways and ports.

To help stimulate the economy, Anwar said it was important for all government agencies and departments to cut bureaucratic red tape so that projects could get off the ground without delay.

He said it was important "to take measures and steps to speed up the approving process and ensure programmes and projects do take off immediately".

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