

07 JUL 1998

Anwar-Growth

ANWAR SAYS 1998 GROWTH PROJECTION MUST BE REVIEWED

KUALA LUMPUR, July 7 (Bernama) -- Deputy Prime Minister Datuk Seri Anwar Ibrahim said today the country's 2 to 3 per cent growth projection for this year needs to be revised.

He did not mention any new figure, saying it would be announced soon.

"But the government will try to stimulate the economy by establishing new funds like Danaharta and through other measures," he told reporters on the first day of the 1999 Budget dialogue here.

Asked if the country would register negative growth for the year as was the case for the first quarter, Anwar said: "We are hoping not to go to the negative. We are looking at the figures and want to know how fast can the (country's latest) stimulus package be implemented."

Towards this end, he said it was very critical that all agencies and departments took measures to speed up the implementation of projects and approvals.

Anwar, who is Finance Minister, said that during the current period of economic slowdown, daily meetings were held between him and Prime Minister Datuk Seri Dr Mahathir Mohamad because total support was needed.

He said the people should not be too sensitive about Dr Mahathir's role in steering the economy as "we work effectively as one team."

On the country's growth for the second quarter, Anwar said this too would be announced soon.

The first quarter saw a real gross domestic product growth of minus 1.8 per cent, the first negative growth since the minus 1.2 per cent growth reported in 1985.

In the final quarter of last year, the GDP growth was 6.9 per cent, reflecting the strong performance of the major economic sectors prior to the regional financial crisis which began from the third quarter of the year.

On the Budget dialogue, Anwar said it would be slightly different this year with strong focus on matters and problems pertaining to the current economic problems.

He said the government would continue to play its role as the engine of growth for the country's economy through the creation of new funds such as Danaharta that would be tabled in Parliament next week and the recently-announced RM5 billion infrastructure fund.

Asked whether the government was considering cuts in the corporate and personal income tax in the coming Budget, Anwar said: "We have been reducing taxes every year. For this year we are looking at both the conventional and less conventional (issues)."

-- BERNAMA

AA SHY SK