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Anwar: We may revise strategy if situation worsens

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KUALA LUMPUR, Mon. - The Government may have to revise its strategy to stimulate the economy and come up with additional measures if the situation worsens, Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim said today.

As the Gross Domestic Product for the first quarter slipped to minus 1.8 per cent from 6.9 per cent in the previous quarter ended December, Anwar said: "We are looking closely at the situation and may have to revise some of the strategies."

"If it becomes critical, we will have to come up with some new measures," he said after opening the two-day 3rd Asia Oil & Gas Conference here.

However, he stressed that additional economic measures might not be necessary yet and "... there is no need to revise just yet the projected economic growth of between two and three per cent."

"We should also analyse the GDP figures for the first quarter closely and see the trend that is developing. There was a slowdown in the first two months of this year possibly due to shock and over-reaction to the currency situation.

"The worst is over, reflected in January and February. The next month (March) was more positive," he said, adding that the trend had to be studied over the next few months.

"I have always said this before: the real solution is to ensure there is easing of credit to ensure liquidity and everything else will follow naturally."

He also said banks would have to abide by prudent commercial guidelines when lending.

Earlier, in his speech, Anwar said: "The economic, political and social changes seen throughout the region in the last 12 months have made it patently clear that business as usual is impossible.

"The people of the region will no longer tolerate the old ways. They reject corruption, cronyism and nepotism. They demand greater accountability, transparency and a real say in the decision-making process."

As such, Anwar said the region's people needed to take a close and hard look at themselves and identify their strengths and weaknesses.

"Courage is required, because we may have to inflict further pain on ourselves before we can emerge as new and vibrant economic entities."

When asked about the statement made by Prime Minister Datuk Seri Dr Mahathir Mohamad on interest rates last Saturday, Anwar said Dr Mahathir was merely expressing the general consensus of the business community which felt that interest rates were very high at present.

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