

16/01/1998

Camdessus: Steps to address problems welcomed

Baidura Ahmad

KUALA LUMPUR, Thurs. - International Monetary Fund managing director Michel Camdessus today welcomed the steps taken by Malaysia to address the economic problems brought about by the regional financial crisis.

"I am aware of the steps which have been taken on Dec 5 in order to re-address the fiscal situation. This is quite important and welcomed," he told reporters after a short meeting with Deputy Prime Minister Datuk Seri Anwar Ibrahim soon after his arrival in Kuala Lumpur from Jakarta.

Last month, Anwar, who is also Finance Minister, announced several tough measures to tackle the problems including an 18-per cent cut on government spending, deferment of major projects and postponement of market-sensitive corporate exercises.

Camdessus, on his third visit to Malaysia, is on a tour of several Asian countries to consult each of them on steps taken to overcome the current economic problems.

"Now, we have a team of IMF officials which is starting annual consultations with your country.

"At the end of the process of consultations, we will be able to pass a more definitive judgment on what is going on, and what the prospects are for Malaysia," Camdessus said.

He was also asked to comment on his remarks made in Singapore on his visit to that country yesterday where he was reported to have said that Malaysia needed a "better policy mix" in exercising monetary restraint, and that the country's expansion of credit was still too rapid.

"Could you tell me when I said that? (It was) not exactly in these terms.

"What I can tell you is that this afternoon, I came to tell the Deputy Prime Minister (Anwar) how the situation is evolving in the countries around, particularly South Korea and Indonesia after a very important decision which has been taken there, and the positive impact this could have in the international market and the prospects for your own country," Camdessus said.

Anwar, who was also at the brief Press conference, said he had a good meeting with Camdessus.

"As a policy, we in Malaysia have always used this opportunity to have adequate consultation and take the views of IMF and explain our position. We will continue our discussions tomorrow," he said.

Camdessus is scheduled to meet Prime Minister Datuk Seri Dr Mahathir Mohamad tomorrow before leaving for China later in the evening.

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