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MAHATHIR-BUDGET

DR M: ECONOMIC GROWTH OF 1.0 PCT EXPECTED IN 1999

KUALA LUMPUR, Oct 15 (Bernama) -- Prime minister Datuk Seri Dr Mahathir Mohamad said the government has projected an economic growth of 1.0 percent for the country next year.

This meant that there would be a turnaround of 5.8 percent following the forecast 4.8 percent negative growth for this year.

The government would adopt a deficit budget for 1999, Dr Mahathir told reporters after chairing the Dewan Rakyat and Dewan Negara's Pre-Council meeting here today during which he explained the nation's financial situation and the strategy for the 1999 Budget.

"It is certain that the 1999 Budget will be influenced by the unhealthy economic situation and we will have a deficit budget for next year," he added.

"The main points (of the budget) is that we believe that our economy will grow by 1.0 percent although for this year we will have negative growth of 4.8 percent. This means we will have a turnaround of 5.8 percent," he added.

In addition, Dr Mahathir said the government was planning to improve the financial position of the country and intensify the economic recovery measures through monetary and fiscal measures.

"The budgetary measures are designed to stimulate the economy. So some tax measures will be introduced but mainly it is in the fiscal policies that are going to contribute towards stimulating economic growth.

"There will be some new taxes but not something which will burden the rakyat," the prime minister said. -- BERNAMA

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