

09 JAN 1998

Mahathir-economy

DR MAHATHIR FORESEES ACCEPTABLE ECONOMIC RECOVERY WITHIN A YEAR

KUALA LUMPUR, Jan 9 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said he foresees moderate economic recovery within six to 12 months provided Malaysians show full confidence in the ringgit and the local stock market.

He expressed this optimism when appearing as guest over TV3's morning talk show "Malaysia Hari Ini" (Malaysia Today) which discussed consumers and the economy.

While acknowledging that it would be impossible to see the economy revitalised to its former strength as before the ringgit started weakening last July, Dr Mahathir said he was confident moderate recovery at an acceptable level could be attained if the people adopt specific measures.

One of which is that Malaysians themselves should have the confidence in the national economy.

"If we have the confidence and don't resort to, say for instance, converting ringgit into US dollars or other foreign currencies, then recovery will be easy because we ourselves don't contribute to the depreciation of our own currency," he said.

Another approach which Malaysians should adopt, he said, was to refrain from buying imported goods thus saving on foreign exchange.

During the 90-minute programme the prime minister responded to various questions from viewers, sent by e-mail or facsimile, wanting to know when the current economic turmoil would end.

Dr Mahathir said Malaysians should save more in local banks and financial institutions to help shore up national reserves.

At the same time they too should have confidence in local banks, he said.

"If we all do that, I'm confident we'll recover, not to our original level, but to a moderately sufficient level, perhaps within six months or a year," he said.

In explaining how the ringgit's value could have plunged the way it did, Dr Mahathir said the situation this time around was different from that of the country's economic depression in 1985 and 1986.

The ringgit then, he said, did not fall.

"But this time, when we try to revitalise (the economy), they sell off the ringgit," Dr Mahathir said.

On external factors compounding or contributing to the country's current economic problems, Dr Mahathir said they were unavoidable and beyond Malaysia's control.

However, he said, there were other measures which Malaysians themselves could undertake to steer the country towards economic recovery including seeking ways to minimise the role of foreign currencies in Malaysia's economy.

"We should internalise the economy," he said.

To do that, he said, prices of goods should not be raised to the extent of jeopardising low-income workers.

Dr Mahathir suggested that Malaysians, owning property in countries whose currencies are much of higher value than the ringgit, sell them off and keep the proceeds in foreign currencies in Malaysian banks.

He said the foreign currencies could later be converted into ringgit, in case, to purchase goods and other items.

He said that it would be certainly difficult for the people to regain

their confidence in the country's economy but they should not give in to such negative sentiments for their own interest and that of the country.

"Our economic fundamentals are strong and the people should have confidence in the ringgit and our stock market," he said.

Touching on several projects like the Multimedia Super Corridor (MSC) and the Commonwealth Games, Dr Mahathir said that the government had decided which projects were to be given priority and which to be shelved.

He said that the Commonwealth Games would not be affected as the government had given its commitment. -- BERNAMA

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