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Dr Mahathir: Country's economy is recovering

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DATUK Seri Dr Mahathir Mohamad said yesterday there were signs that the country's economy was recovering, adding that the nation's reserves had increased by US\$90 million (RM342 million) in the last three weeks.

The Prime Minister said this was mostly because the ringgit would no longer be tradeable overseas from next month and that the Government had internalised the economy.

"Now the money has come in and it does not go out," said Dr Mahathir, who is also First Finance Minister, adding that Malaysia's exports were far higher than its imports.

He was speaking to leaders of the various Malaysian Chinese associations at the Prime Minister's Department after receiving cards and a scroll of signatures from well-wishers.

Dr Mahathir said as the ringgit was no longer tradeable outside the country, currency speculators would not be able to force it to depreciate.

He expressed the hope that businessmen would carry out their businesses and help revive the economy.

He said as the ringgit had been fixed at RM3.80 to the US dollar, businessmen could plan their businesses and prepare their budgets.

Dr Mahathir appealed to the private sector to help revive the property sector as it had 150 other industries connected to it.

"We will not grow the way we grew before, where share prices went very high. It (the Kuala Lumpur Stock Exchange Composite Index) will grow but not so high. Maybe it will never reach 1,400 points but even if it reaches 500, 600 or 700 points, it would help," he said.

The Prime Minister also said Malaysia was trying to reduce its dependence on Singapore. He said the island republic had resorted to various measures, including offering high interest rates to ringgit deposits, to undermine Malaysia's economy.

On the dismissal of Datuk Seri Anwar Ibrahim as the Deputy Prime Minister and Finance Minister, Dr Mahathir said the Government could manage the economy better without Anwar.

He said when Anwar was Finance Minister, he (Anwar) did not understand how to manage the finances or economy of the country, thus resulting in many economic problems.

"Unfortunately, Anwar does not understand finance and economic management. He can talk very well but he does not really understand how to manage the economy," said the Prime Minister.

Dr Mahathir said it was Anwar who was responsible for shortening the period for non-performing loans which had created a lot of difficulties for business.

He said Anwar was also responsible for reducing the amount of money in circulation which had prevented the people from getting loans.

"But I was able to counter that ... we literally forced him to accept that that is the wrong way. That is why we changed the policies," he said.

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