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Dr M: More measures under way to make economy stronger

PRIME Minister Datuk Seri Dr Mahathir Mohamad said yesterday that while there are already signs of economic recovery, the Government will introduce more measures to make the country's economy stronger.

The Prime Minister said since the Government imposed the currency control measures on Sept 1, the economic activities had improved, with businesses no longer under pressure.

"Exports have exceeded RM26 billion and we have reduced imports which have placed us in a surplus balance of payments position," said Dr Mahathir, who is also the First Finance Minister.

"The country now has sufficient foreign exchange reserves to service its foreign debts," he said when opening the Malaysian Franchise Exhibition and Conference at the Putra World Trade Centre in Kuala Lumpur.

He said the economic situation was also stable, especially with the ringgit pegged at RM3.80 to the US dollar and with the lowering of interest rates.

"Although the ringgit was traded at RM2.50 to the dollar before the currency crisis, we cannot peg it at the same value like before because if we did so, the cost will be high and we will not be able to compete with the other regional currencies."

He said it was right for Malaysia to peg the ringgit at RM3.80 because it was not "too strong" and that Malaysia could compete with the regional currencies whose values had also dropped.

By doing so, he said, foreign speculators also could not trade in the ringgit and cause volatility in the currency.

With the peg, the Government was also able to bring interest rates down to eight per cent as well as enable businessmen to obtain loans easily.

The inflation rate also remained steady and this contributed towards stability. The stock market has also recovered although not as strong as before, he added.

On franchise, Dr Mahathir said it had given the opportunity to more people, including those not highly trained in business management, to do business.

He said at present franchise businesses had covered the hotel, foodstuff and other industries.

Also present were Entrepreneur Development Minister Datuk Mustapa Mohamed, who is also the Second Finance Minister, his deputy Datuk Idris Jusoh, the ministry's secretary-general Datuk Dr Abdullah Tahir and chairman of the Malaysian Franchise Association Datuk Adzmi Abdul Wahab.

The exhibition, participated by 80 companies from within and outside the country including Australia, Singapore and the Philippines, was organised by the Ministry, MFA and Malaysian Entrepreneurial Development Centre.

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