

17/12/1998

Daim: Act fast to keep economy on upward course

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LANGKAWI, Wed. - With the nation on the road to economic recovery following drastic government measures, it is now up to Malaysians to play their part in accelerating this process, Special Functions Minister Tun Daim Zainuddin said today.

He said the people should now provide the added impetus by demonstrating their faith and spend their money to create the climate for increased demand for goods and services.

"The banks have started giving out loans to enable people to borrow and the business sector can breathe easier now.

"Interest rates have been reduced and even interests on credit cards have been lowered. Now we hope Malaysians themselves will demonstrate their faith (in the economy)," he said.

He said this after a board meeting of the Langkawi Development Authority (Lada) of which he is the joint chairman with Menteri Besar Tan Sri Sanusi Junid.

Daim said while the Government was encouraging the savings habit among the people, it also wanted the people to spend and not just save.

"If we do not spend, businesses will be affected," he said

He cited domestic vacations as one area where the people could spend.

"The Government has declared one Saturday a month as an additional holiday. We want the people not to (go on) holiday overseas but within the country.

"We hope there will be more demand for our goods and services. This way our economy will continue to show an upward trend."

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad had told the Sixth Asean Summit in Hanoi that the drastic measures taken by the Government including controls on the currency exchange rate were paying dividends in economic recovery.

Asked to elaborate on this, Daim said that in the Malaysian context, the measures taken had proven to be the right antidote.

"Our third quarter (gross domestic product) was minus 8.6 per cent. The fourth quarter is expected to be much better because of the various positive signs."

On whether Lada had approved any new projects for the island, Daim said applications had been shelved temporarily.

He said this was in line with the request by developers nationwide to the Government not to approve new projects for the time being because of the current situation in which they were facing an "overhang".

For example, Daim said the ongoing Home Ownership Campaign was under way to enable developers to sell their properties.

"Because of this, they want the Government not to approve new projects.

"We have considered the request and decided to keep in view the new projects including those for Langkawi," he added, referring to the request by the Kedah Housing Developers Association to extend the duration of the campaign from one to two months.

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