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Govt working to avert dire situation: Dr M

JOBLESS workers queueing in cities for subsidised bread and soup, while the homeless search for sleeping spots at park benches and under bridges.

This is the dire situation in many cities of nations whose economies have been ravaged by the economic crisis which surfaced last July, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

He told a packed Shah Alam stadium in Selangor yesterday that this is the scenario in International Monetary Fund (IMF)-assisted countries like South Korea, Indonesia, the Philippines and Thailand.

"This is happening there now. Do not think that it will not happen to us. If we do not counter this, it will come to us.

"If they (rogue currency traders) succeed in pressuring us, our lives will be the same as them. That is why the Government is trying to overcome this economic turmoil," he added.

Dr Mahathir said it was for this reason that he is on a nationwide roadshow to meet the rakyat to explain the economic crisis and its possible impact on the people.

He noted that the situation needs explaining because it is difficult for Malaysians to accept that the country is now experiencing an economic turmoil.

Unlike the other affected countries, the effects of the crisis in Malaysia is are not clearly visible.

"We are not short of funds or food. Kenduris are held here and there with even signs of food being wasted. Everything is enough ... sometimes more than enough."

Dr Mahathir said while the ringgit has lost 60 per cent in value against the US dollar, prices of goods have only increased by 10 per cent. Therefore, the impact of the crisis on Malaysians' purchasing power is not yet quite apparent.

He some people have even prospered from the economic crisis.

Oil palm plantation owners are earning better income during these difficult times. The price of one tonne of palm oil has increased from RM1,400 prior to the crisis to RM3,000.

The Prime Minister said some quarters have claimed that the Government is doing the wrong things and had wasted a lot of money in mega projects.

"On the contrary, we did a wise thing because the projects were built at a time when ringgit was strong in value."

He said the Shah Alam stadium was built at a cost of RM84 million when the ringgit was at 2.50 against the US dollar.

"If it is built now, the RM84 million would not have been enough to erect such an infrastructure... its cost would be higher by 60 per cent," he added.

"The same can be said about the KLIA (Kuala Lumpur International Airport in Sepang) which cost to RM9 billion or US\$4 billion to build. We spent only US\$4 billion on the airport. Hong Kong spent US\$20 billion on its new airport.

"But that airport is only one-tenth of the KLIA's size," Dr Mahathir said. Therefore, Malaysia's mega projects are in fact mega in size but not in cost, he added.

While the country does receive loans from other countries, including Japan, the amount is small and Malaysia repays them sooner than required.

However, while the crisis' impact has yet to affect the rakyat, it does

not mean that the Government should wait until it does.

"This is why we need this gathering."

Malaysia's capital market has lost some RM600 billion due to the turmoil.

"Due to the attack, local banks are feeling the pressure. The man on the street is not feeling it yet, but if the situation continues, it will start to affect him."

(END)