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Camdessus-Mahathir

IMF CHIEF GIVES THUMBS UP FOR MALAYSIA'S ECONOMIC MEASURES

KUALA LUMPUR, Jan 16 (Bernama) -- International Monetary Fund (IMF) managing director Michel Camdessus said the measures taken by Malaysia to overcome its economic problem have been "so far so good".

He said the Malaysian government had adopted those measures at the appropriate time.

"I told the Prime Minister my appreciation for the adoption of the measures... it was timely adopted," he told reporters after talks with Prime Minister Datuk Seri Dr Mahathir Mohamad here.

Camdessus arrived here yesterday for a two-day visit. He is visiting a number of Asian countries, including South Korea, in efforts to mitigate the economic crisis facing the region.

Camdessus said he appreciated and welcomed the austerity measures adopted by the government as announced by Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim on Dec 5 last year.

The measures include an 18 per cent cut in government expenditures, scaling down of economic growth from seven per cent to between four and five per cent, curbing credit growth and ensuring loans for productive sectors only.

Camdessus said the measures were certainly needed and timely adopted.

"We have commented about the prospective of this country (Malaysia) and the way in helping it to recover from the present downturn and to strengthen it enough to enable it to have a sustainable growth to achieve the ambition Prime Minister Mahathir has for his country," he said.

The IMF chief hoped that Malaysia could weather its economic crisis on its own without having to resort to major international support.

Asked on his statement in Singapore recently that Malaysia's policy has not been quite right in tackling its economic problems, Camdessus said he would explain it during his news conference scheduled at 4 pm here today.

"And I will be ready to tell you that, yes, I have some concern. If I don't have concern for Malaysia, this will be the only country in the world for which I have shown or demonstrated lack of attention (which) you (Malaysia) don't deserve," he said.

The IMF head said he informed Dr Mahathir about his impression, concern and hopes about the evolution of the financial crisis in the region which had a direct impact on Malaysia.

He said he briefed Dr Mahathir about the latest developments in Indonesia which he described as "promising indeed".

He praised the leadership and vision demonstrated by Indonesian President Suharto in adopting the measures as announced in Jakarta yesterday.

Camdessus and Suharto signed a memorandum on the acceleration of reforms to deal with Indonesia's financial turmoil during the IMF chief's visit to Jakarta yesterday.

The memorandum sets out fresh steps Indonesia must take under a US\$43 billion bailout package agreed with the IMF last October.

Camdessus said his discussions with the Prime Minister, whom he considered as a good friend, was rewarding.

"We discussed some important issues... As good friends, we can be very candid with one another," he said.

Camdessus later left for talks with Bank Negara officials. He is scheduled to leave for Singapore later today. -- BERNAMA

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