

07 JUL 1998  
M'SIA GROWTH  
M'SIA TO REVISE GROWTH PROJECTIONS

KUALA LUMPUR, July 7 (Bernama) -- Deputy prime minister and finance minister Datuk Seri Anwar Ibrahim said it was necessary to revise Malaysia's growth projection for 1998 from the 2.0 to 3.0 percent forecast previously.

He did not mention any figures but said they would be announced soon.

"But the government will try to stimulate the economy by establishing new funds like Danaharta and other measures," he told reporters after the first day of the 1999 Budget dialogue here.

Asked whether the country would register negative growth for the whole of 1998 just like what happened in the first quarter of this year, Anwar said, "We are hoping not to go to the negative. We are looking at the figures and want to know how fast can the (country's latest) stimulus package be implemented."

Towards this end, he said it was very critical that all agencies and departments took measures to speed up the implementation of projects and approvals.

Anwar said during the present difficult times, daily meetings were held between him and prime minister Datuk Seri Dr Mahathir Mohamad because total support was needed.

He also said one should not be hyper sensitive about the prime minister steering the economy as "we work effectively as one team."

On the country's economic performance for the second quarter of this year, Anwar said the figures too would be announced soon.

Malaysia's real gross domestic product saw a negative growth of 1.8 percent in the first quarter of this year, the first time since 1985 when there was a negative growth of 1.2 percent for the whole of that year.

In the last quarter of 1997, GDP growth was at 6.9 percent, reflecting the strong performance of the major economic sectors prior to the regional financial crisis which began from the third quarter of the year.

On this year's Budget's dialogue, Anwar said it would be slightly different as it would seriously focus on matters and problems pertaining to the current economic problem.

He reiterated that through these difficult times, the government would continue to play its role as the engine of growth for the country's economy through the creation of new funds such as Danaharta that would be tabled in Parliament next week and the recently-announced RM5 billion infrastructure fund.

Asked whether the government was considering cuts in both the corporate and personal income-tax in the 1999 Budget, Anwar said: "We have been reducing taxes every year. For this year we are looking at both the conventional and less conventional (issues)." -- BERNAMA

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