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NEAC moots 85pc ceiling for car loan

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KUALA LUMPUR, Fri. - The National Economic Action Council has recommended to the Government that the present ceiling of 70 per cent for car loans costing RM40,000 and below be increased to 85 per cent.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also NEAC chairman, said tonight that the recommendation was made after the council had considered the automobile industry's request.

Despite the change in the ceiling, the quantum allowed by banks and financial institutions for vehicle loans this year remained at RM15 billion, he said.

The NEAC also agreed to allow foreigners to buy houses priced at RM250,000 and above in projects identified and approved by the Foreign Investment Committee.

"Foreigners buying these houses will no longer need to seek permission," Dr Mahathir, who is also Umno president, told a Press conference after chairing the party's supreme council meeting at Menara Dato' Onn.

He was replying to questions from reporters on the outcome of the NEAC meetings which he chaired earlier.

Dr Mahathir said the NEAC also agreed to encourage the construction of houses costing RM150,000 and below to keep up with demand.

The NEAC full council meeting was also attended by all Menteris Besar and Chief Ministers, including Kelantan Menteri Besar Datuk Nik Abdul Aziz Nik Mat.

"They were told to expedite the approval for agriculture land," he said, "and utilise all ponds for aquaculture projects."

On the water shortage affecting some parts of the Klang Valley, Dr Mahathir said the Umno supreme council viewed seriously the shortage.

More ultrasource units which could produce water drawn from lakes and ponds would be brought in, he said.

When pointed out that the authorities seemed to be blaming each other for the crisis, Dr Mahathir said: "It must be remembered that the problem (water shortage) is not something that always happened.

"If we are used to this situation, then there will be no problem determining those responsible. In this instance, where everybody is doing their best to solve the problem, definitely there will be views that one should be doing this or that.

"If we concentrate too much on this and not on solving the water woes, we will have problems," he said. "The authorities were prepared to receive constructive criticism."

The Prime Minister said the meeting also discussed the recent dispute between two groups in Kampung Rawa in Penang caused by the proximity of a mosque and a Hindu temple.

The supreme council, he said, emphasised the need to strengthen unity and for problems, especially among the races, to be settled through discussions.

Although the matter was considered closed, he said the Government was being cautious as instigation by irresponsible elements could cause further trouble.

On open burning, Dr Mahathir said the supreme council concurred with the Cabinet's view that stern action be taken against those responsible.

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