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NEAC studying ways to reduce interest rates

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THE National Economic Action Council (NEAC) will make suggestions to the Government on how to reduce interest rates to ease difficulties faced by businessmen due to the current economic problems.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the NEAC has started conducting a study on how interest rates can be lowered.

Speaking to newsmen after launching the Malaysia-British Business Council in Kuala Lumpur yesterday, Dr Mahathir did not dismiss the need to ease interest rates to help businessmen.

"I think so (that interest rates should be eased). But there are problems about lowering interest rates. The NEAC is studying how we can help reduce interest rates," he added.

Dr Mahathir, who is chairman of the NEAC, said the council has so far met twice and is working well. "The NEAC executive committee also met today and will meet again this Wednesday."

On the ringgit's performance, Dr Mahathir said the Malaysian currency seems to have stabilised, with the difference in value now ranging between RM3.50 and RM3.80 against one US dollar.

"We welcome such a situation as this will enable us to make plans for business much easier," he added.

However, Dr Mahathir said the stock market's performance is not satisfactory, probably due to lack of confidence among investors.

The Prime Minister said he is confident that Malaysia will have a fair chance of maintaining its growth rate between 2 per cent and 4 per cent for this year.

Dr Mahathir was also asked to comment on suggestions that the country's financial system should be bound by conditions imposed under the World Trade Organisation to provide confidence among investors to invest in Malaysia.

"We have seen other countries do that but it does not seem to bring back confidence either. That is really not the answer. The answer is to manage our economy well," he said.

Dr Mahathir criticised the proposed move by the opposition DAP to use the economic downturn as its agenda in the next general election.

"They can always hope to win more seats. But if they think they should make use of the economic turmoil for political gains I feel very sorry because I think this is a problem we should face together and should really not make use of the present difficulties to win votes.

"Instead, we should really work together to help the economy recover," he said, adding that he had hoped the opposition would work together with the Government but unfortunately they only see political opportunities from the present economic problems.

"They have their eyes focused on seats. We have our eyes focused on helping the economy to recover.

"Even if we become unpopular in the process, we think it is our duty to help the country's economy to recover," the Prime Minister said, adding that the Government will not use the present economic turmoil to gain political clout.

On the Commonwealth Games to be held in Kuala Lumpur in September, Dr Mahathir said Malaysia has taken the necessary measures, including preventing haze, to ensure that the Games will not be cancelled.

"I would not like to think about it (possible cancellation of the Games

due to haze). I think it is not going to happen that way. We are going to make sure, by cloud seeding and other ways, that the area is clear," he added.

Asked what efforts are being taken to prevent haze, Dr Mahathir said: "We are trying to do something about it. We are acquiring helicopters and aircraft are being loaned to us. At least that part in Malaysia where we can attend to.

"Furthermore, we have an understanding with Indonesia that if there is anything we can do together to tackle the haze problem, we will do it together. But I am quite hopeful and confident that the haze will not affect the Commonwealth Games."

Dr Mahathir also congratulated the Malaysian freefall team for their success in parachuting at the North Pole.

"They have achieved this despite criticism from various quarters that with the current economic problems faced by the country, it was not a suitable time for such an adventurous and dangerous attempt," he said.

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