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PM and I complement each other, says Anwar (HL)

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KUALA LUMPUR, Wed. - Deputy Prime Minister Datuk Seri Anwar Ibrahim said today both he and Prime Minister Datuk Seri Dr Mahathir Mohamad complemented each other in their statements on the economy.

He said while he cited the positive assessment by IMF managing director Michel Camdessus on Malaysia's economic measures in Parliament today, the Prime Minister pointed out that investor confidence had yet to recover despite such endorsement.

"These two statements are correct," Anwar said in response to Opposition leader Lim Kit Siang (DAP-Tanjung), while winding up points raised by Members of Parliament when debating the motion of thanks on the Royal Address.

Lim had alluded to Dr Mahathir's remarks in Jitra yesterday that the economy had not improved despite the acknowledgement on the strength of the country's fundamentals and various reform programmes undertaken so far.

"We complement one another," Anwar said at the outset of his 70-minute reply in the Dewan Rakyat today punctuated by clarifications sought by Kit Siang, Lim Guan Eng (DAP-Kota Melaka) and Yunof Meringking (PBS-Tuaran).

Anwar's speech also centred, among others, on the Employees' Provident Fund, investigations into the Sime Bank's losses, stability of the ringgit and the monorail project.

Kit Siang had asked Anwar whether there were "confusing signals" on the expected value of the ringgit, and referred to a remark by the Prime Minister that, by right, the ringgit should be at RM2.50 to the US dollar which was the level before the financial problem surfaced.

Anwar said the issue of confusing signals did not arise. "What the Prime Minister said was that without foreign intervention and currency speculators and manipulators, the ringgit should remain at previous levels.

"I do not think that the statement (Dr Mahathir's) was wrong. The fact is there is the activity of currency trading which had affected the economic and financial situation."

Anwar said Kit Siang should acknowledge that the Asia-Europe meeting in London which ended a few days ago, had for the first time, accepted the fact that there was an element of speculation in the causes of the economic problems of Asia.

He said the Government would make public its discussions with the International Monetary Fund and IMF's assessment of Malaysia which was generally positive.

Anwar said basically the Government and the IMF were in agreement on each other's projections and assessment of the economy.

He said that when there were differences in numbers projected, these were marginal.

Areas of differences include the interest rate which IMF believes should be higher, while Malaysia feels that the previous level of interest rates in the country should be taken into account.

Malaysia has also been emphasising factors like the safety net for the poor, unemployment and health services triggered by the economic difficulties.

The IMF, on the other hand, in its role as the international central banker, takes the view that these aspects could come later, after the

problems of the economy have been resolved. This was reflected in the IMF's programme for Indonesia.

Anwar, however, said that the IMF was expected to make some allowances to the Indonesian Government so that there would be emphasis on aspects like health and poverty.

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