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Political stability will see nation through: Lim

MALAYSIA'S political stability and export-based economy will prevent the country from being severely hit by the economic downturn and currency turmoil in the region.

Primary Industries Minister Datuk Seri Dr Lim Keng Yaik said compared with other countries in the region, Malaysia can be said to be only slightly affected.

"Firstly, the country enjoys political stability. The people trust Prime Minister Datuk Seri Dr Mahathir Mohamad's leadership, which previously had helped the country to come out of the recession in 1985.

"The West are beginning to understand Dr Mahathir's leadership," he told reporters in Kuala Lumpur after receiving a courtesy call from visiting Colombian Foreign Minister Dr Maria Emma Mejia Velez yesterday.

Dr Lim was responding to comments from US Ambassador to Malaysia John R. Mallot who had said that Malaysia is expected to be the fastest to regain foreign investors' confidence, lost following the currency turmoil.

"In all Asia, Malaysia is one of the better run economies. Malaysia is doing pretty well in terms of restoring investor confidence with the steps that are being taken," he was quoted as saying.

Dr Lim, who agreed with Mallot, said the industries in Malaysia can still be maintained despite the present economic slowdown because they are export-oriented.

"A big percentage of the country's gross domestic product is in exports. Even with a weaker ringgit, these exports will help to bring back money into the country," he added.

Dr Lim said all the country needs to do now is reduce spending, particularly in lumpy imports, and this will help to ease the pressure on the national current account.

Dr Lim also said that Malaysians should have more faith in the country and avoid withdrawing their savings from local banks and depositing them into foreign banks.

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