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SIX WORKING PAPERS ON PROPOSALS FOR ECONOMIC RECOVERY COMPLETED

KUALA LUMPUR, March 25 (Bernama) -- The National Economic Action Council (NEAC) has completed six working papers containing proposals and suggestions to revive the economy, a member of the NEAC working committee Dr Mahani Zainal Abidin said here today.

The working papers involved issues on capital market, currency and the country's economic growth, which had received feedbacks following a meeting between the NEAC working committee and 200 groups since Jan 8.

Another 24 working papers for a similar purpose would be completed before the end of April, she said at a dialogue on "The effect of the economic downturn on the Nasional Agenda," held at the Parliament building.

She said when completed, all the working papers would be submitted to NEAC executive committee, after getting approval from NEAC executive director Tun Daim Zainuddin.

The executive committee would determine whether or not these working papers needed to be submitted directly to prime minister Datuk Seri Dr Mahathir Mohamad, the cabinet or to the NEAC.

Dr Mahani said the 200 groups comprised representatives from Bank Negara, Petronas and the finance ministry, the public and private sector including professional bodies, social, manufacturing, financial and foreign media.

She said the economic downturn facing the country now is different from that in the mid 80s, pointing out that the current situation was due to the private sector, the unstable currency and inflow of foreign capital.

The downturn in the mid 80s was due to a large deficit faced by the country following the decrease in exports because of the fall of commodity prices, she said.

As such, she said the problem the country is facing now is more difficult and may require some time to resolve while measures which could be taken was also limited.

Another panel member, chief executive officer L & G Twintech Sdn Bhd, Dr Ismail Md Salleh said the present downturn is a challenge to the country's economic system and that if it was not effectively overcome, could threaten the idea of an open market like what happened in Communist Russia in the late 80s.

To a question by University of Malaya Faculty of Economy and Administration dean, Prof Dr Firdaus Abdullah, deputy finance minister Datuk Dr Affifuddin Omar, who is also a panel member, agreed that amidst the economic downturn, the national agenda may be affected if the economic growth was not maintained.

To another question by Prof Firdaus, Dr Ismail felt that smaller banks should be given certain exceptions and be exempted from merging with bigger banks if they are capable of serving customers without having to compete with bigger banks.

He said for example small banks in Western countries continued to exist and are capable of producing innovative and creative products.

President of the Dewan Negara Tan Sri Mohamed Yaacob and his deputy Datuk Michael Chen were among 40 people who attended the one-day dialogue session organised by the Commonwealth Women Members of Parliament, Malaysian branch. -- BERNAMA

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