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Mahathir-Loans

M'SIAN GOVT WILLING TO PAY HIGH RATES TO REVIVE ECONOMY

SHAH ALAM, Aug 25 (Bernama) -- The government is willing to pay high interest rates on its foreign loans in efforts to revive the national economy, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

"We guarantee that we will repay our loans and even pre-pay them," he told a cheering crowd at a meet-the-people session here.

Dr Mahathir hinted that Malaysia might have to pay high interest rates on the bonds it would issue to raise funds for Danaharta (the asset management company set up to tackle non-performing loans) and Danamodal (the special purpose vehicle established to recapitalise banks) following the rating downgrade by certain international rating agencies.

He said the government would not force foreigners to lend money to the country if they were not confident.

Dr Mahathir said Malaysia would toil on its own to set the economy on the recovery path.

"Our country is our responsibility," he said in reference to this year's National Day theme.

On an article in The Times of London dated Aug 20 entitled, "Kick speculators over the hedge", Dr Mahathir said it seemed that Europeans were now echoing what he had said a year ago at the International Monetary Fund/World Bank meetings in Hong Kong.

"There are now more of such articles. They (Westerners) have now realised that people like Soros are dangerous."

Dr Mahathir said some foreigners still felt that the economic turmoil in Malaysia was because of the government's inefficiencies like what had happened in Indonesia, Thailand and South Korea.

He said the real culprits were the speculators who depressed currencies and share prices, adding that the Kuala Lumpur Stock Exchange had lost some RM600 billion in market value to only RM300 billion at present.

The Prime Minister said the government could still manage the economy and if it had not managed the economy well, the country would have sought IMF aid a long time ago.

"We are still free. This shows that the government knows how to manage the country," he said.

Dr Mahathir said Malaysians must believe in the capability of the government in managing the economy.

"Sooner or later, Malaysia would see the end of the economic turbulence," he said. "Maybe we have to sacrifice a little but this is not as much as the sacrifices made by the people in countries which had sought IMF aid."

-- BERNAMA

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