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Mahathir-GDP

M'SIA CAN SUSTAIN POSITIVE GROWTH IN 3RD & 4TH QTRS, SAYS MAHATHIR

SHAH ALAM, Aug 26 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has expressed confidence that Malaysia's positive growth in second quarter of the year can be sustained in the third and fourth quarters as well.

"It will be sustained but we are cautious," he said.

Dr Mahathir said this was why the government has maintained the 1999 growth forecast at one per cent.

He was speaking to reporters after addressing a mammoth gathering here today with students of Institut Teknologi Mara (ITM).

The prime minister announced at the gathering that ITM would be upgraded to a university and renamed Universiti Teknologi Mara.

"We hold to our conservative prediction. The government is conservative and does not make claims that it cannot implement," he said.

Yesterday, Bank Negara Governor Tan Sri Ali Abul Hassan Sulaiman announced that Malaysia's second quarter gross domestic product (GDP) grew by 4.1 per cent after a 1.3 per cent contraction in the first quarter.

Ali also said that as a result, Malaysia was comfortably out of the crippling economic recession.

But the growth forecast of one per cent for the year and five per cent next year was being maintained.

Asked whether the RM3.80 peg against the US dollar would be maintained, Dr Mahathir said that it would remain.

When pressed further whether the pegging of the ringgit at that rate would continue for another year, he said: "I don't know."

-- BERNAMA

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