

17/10/1999

Dr M confident of BN victory

PUTRAJAYA, Sat. - Datuk Seri Dr Mahathir Mohamad is confident the Barisan Nasional will win impending elections with the challenge being denying the opposition its goal of taking one-third of the seats.

In a wide-ranging interview with Reuters, the Prime Minister said the economy had recovered more quickly than he had expected from the worst recession in more than four decades, and he saw a return soon to high growth.

"Yes, we have done better than we expected."

Dr Mahathir dismissed calls by some foreigners to dismantle capital controls and float the ringgit, saying the year-old measures had worked.

He defended his decision on an aggressive bank merger plan, saying financial institutions needed more time to consolidate.

But he said he expected the mergers, which will transform Malaysia's financial landscape, to be in place by the end of 2000.

Dr Mahathir declined to say when he would call elections.

"We think that we have a very good chance. All the indications which we have received show that we will win the election," he said.

The Prime Minister said he expects gross domestic product to grow by more than one per cent this year.

"It looks like it is going to be more than one per cent, but officially we are sticking to the one per cent," he said. "I think we will achieve at least five per cent in the year 2000."

GDP contracted by 7.5 per cent year-on-year in 1998, the deepest downturn since independence in 1957. GDP expanded by 4.1 per cent in the second quarter year-on-year.

Dr Mahathir has said he expects third-quarter growth to be stronger.

He said the 2000 budget, to be presented to parliament on Oct 29, would probably show a deficit, part of a strategy to stimulate growth.

(END)