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Dr M: Bank merger decisions mine and Daim's

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PRIME Minister Datuk Seri Dr Mahathir Mohamad says the decision to allow the financial services sector more leeway to pursue consolidation was jointly made by himself and First Finance Minister Tun Daim Zainuddin. "It is a decision made by him and me... the earlier decision (for six core banks to be formed) was also made by us," he said, dismissing talk that he and Daim were at odds over the adoption of a more flexible approach towards the bank merger programme.

Dr Mahathir was speaking to reporters after launching the Islamic Specialist Doctors' Association of Malaysia (Isdam) in Kuala Lumpur. The Prime Minister had said on Tuesday that banks would now be allowed to work out the mergers among themselves.

Asked yesterday about the April 1 2000 deadline set earlier for all mergers to be completed, he said: "It's very flexible, maybe April 1. If they cannot do it, we will be considerate".

As for Bank Negara's position on the matter, "the central bank follows the Government's policy," Dr Mahathir said.

Bank Negara has been silent since the Prime Minister first indicated two weeks ago that it was not necessary to have exactly six banking groups and that the banks would be given a chance to choose their own partners.

"I don't know why they are silent. I suppose they have nothing to announce. I don't think you should read too much into these things," he said.

Meanwhile, asked whether the parliament would be dissolved any time soon, he said: "If we have enough voters, we might dissolve it".

On whether the Barisan Nasional meeting on October 25 would be the final meeting before the elections, Dr Mahathir said: "It is a normal meeting. You can call it final, pre-final or post-final. It doesn't make a difference to me".

The Prime Minister also said the national budget would be tabled on October 29.

"Naturally, it is a budget that reflects the economic recovery and I must say that we have done much better than expected. The third quarter growth is much better."

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