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Mahathir-Economy

ECONOMY HAS RECOVERED DESPITE UPS AND DOWNS IN SHARE PRICES- DR M

MELAKA, Aug 9 (Bernama) -- The current drop in the KLSE Composite Index is a normal consequence of share trading and not because the Malaysian economy has not recovered, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

The national economy had in fact recovered and the government had the necessary figures and indicators to this effect, he said.

All other businesses had expanded such as the retail trade, car and house sales had picked up and the banks had lots of funds to lend out to traders, the Prime Minister said.

"Only the Composite Index is down and this is not peculiar to Malaysia as the index in other countries has also dropped," he told Barisan Nasional leaders here.

There were varied reasons for the vagaries of the share market but the buying and selling greatly influenced the index, he said.

He said the share trade had improved for in September 1998, the Composite Index dropped to 262 points but when the government imposed selective capital controls, the index rose gradually and reached 820 points.

The Prime Minister believed that next month when the government allowed investment funds to leave the country, investors who withdrew would not make much profit as the value had fallen.

"I am confident that after September the situation will return to normal," he said.

He said Malaysia succeeded in reviving the economy, damaged by those who brought down the value of the ringgit and shares, through extraordinary measures and helped by strong economic fundamentals.

Compared to other countries, Malaysia did not need help from foreigners particularly the International Monetary Fund (IMF) to bring about economic recovery, Dr Mahathir said.

The Prime Minister urged BN component parties to be prepared to face issues raised by the opposition in the run-up to the General Election such as those touching on the judicial system and claims of injustice in the system.

For instance in Melaka, the DAP would campaign on the premise that its former Member of Parliament for Kota Melaka Lim Guan Eng who had been served with a prison sentence was victimised, he said.

He said the people should be reminded that the system of justice in Malaysia did not differentiate between political parties when an individual was produced in court.

Remind the people that justice required that both who oppose and support the government be punished if they did wrong, he told the BN leaders.

The Prime Minister said many government leaders had also been produced in court and even had been sentenced to death and the court's verdict had to be accepted as the judicial system did not discriminate.

Former Deputy Prime Minister Datuk Seri Anwar Ibrahim was a government and Umno leader but when he committed wrong, he had to be punished and he was not from the opposition party, Dr Mahathir said.

Dr Mahathir said the judicial system did not give priority to one's status but rather it was based on clear evidence of a person's guilt or innocence.

The Prime Minister also hit out at the Keadilan party for claiming that there was injustice in Malaysia.

"The party says it is championing justice but the same people supported the system when they were in Umno, then they did not see...only when their man is brought to court they suddenly claim there is injustice."

Dr Mahathir said the BN was seeking a two-third majority win to ensure that the government was stable and was not held to ransom.

Denying foreign media claims that the BN was seeking a big win to amend the Constitution, he said such a win was vital for a stable government which could not be toppled.

He said if a situation prevailed where the government was exposed to threats from the opposition or when members were involved in party hopping then there could be no credible government.

The BN Government did not face the problem like that of other coalition governments because of the close cooperation among component parties and as a result of landslide wins it was not exposed to the problem of party hopping, threats and so on, he said.

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