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Mahathir-GDP

GDP CAN EXCEED FIVE PER CENT NEXT YEAR, SAYS DR MAHATHIR

KUALA LUMPUR, Dec 23 (Bernama) -- Malaysia's Gross Domestic Product (GDP) next year can exceed the projected 5 per cent growth because of the expectedly better performance of the economy in 2000 compared to this year, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

He based his optimism on a combination of positive economic indicators, including increasing exports, a better show by the other sectors of the economy and encouraging oil price.

"Based on this next year's GDP growth should be better than this year's projected growth of 4.3 per cent," he said at a press conference after launching Bank Negara Malaysia's commemorative millennium gold coin.

When asked whether the GDP might return to pre-1997 economic crisis levels, he said: "Maybe, (but) we are always conservative, we only projected five per cent for next year, like for this year, we projected one per cent but we are able to achieve 4.3 per cent."

As to whether local industries could expect more help from the government, Dr Mahathir said there would not be much since it had done everything possible like lowering interest rates.

The government had also made a lot of credit available, provided initiatives for the home ownership campaign, retail sales and even allocating RM150 million for promoting tourism, the prime minister said.

Dr Mahathir also said he did not expect interest rates to come down substantially as they had gone down too far.

Lowering the rates further may discourage the people from wanting to keep their money in fixed deposits because of the unattractive returns.

"That's why we have to balance this (situation)," he said.

On the progress of bank mergers, he said the government was waiting for the banks to put up their proposals to the central bank and they had until the end of January to do so.

He said the authorities would then evaluate their proposals.

When asked on the state of the mergers, Dr Mahathir said: "We are progressing but nothing has been concretised yet and the banks are still talking to each other."

The prime minister, when asked to comment on talk that the country's corporate restructuring was not moving as fast as it should be, said: "I don't really know but these are delicate things...restructuring involves a lot of re-examination, maybe to see whether there can be some mergers.

"All these things take time...if we hurry too much, we will achieve mergers but the companies may fail."

-- BERNAMA

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