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Low unemployment rate despite economic slowdown

Kamarul Yunus

MALAYSIA has been able to maintain a low unemployment rate despite experiencing economic downturn since July 1997, Deputy Human Resources Minister Datuk Dr Affifuddin Omar told the Dewan Rakyat yesterday. Replying to a question by Isa Md Sabu (BN-Kangar), he said the country's unemployment rate stood at 3.9 per cent last year, against 2.6 per cent in the previous year.

"If we make a comparison with the 7 per cent unemployment rate registered when the country was facing recession in 1985 and 1986, we could say that we have been able to keep unemployment at bay," he said.

\* THE Government reiterated that Prime Minister Datuk Seri Dr Mahathir Mohamad had nothing to do with Petronas' acquisition of interest in Konsortium Perkapalan Bhd (KPB) and there was no bailout in such a move. Parliamentary secretary in the Prime Minister's Department (JPM) Datuk Othman Abdul said although Petronas, the national oil corporation, is under the responsibility of the JPM, such responsibility is limited to matters related to policies on the development of the country's petroleum industry.

"As a company, the Petronas management is responsible towards its investments and other decisions related to its operation," he said this in his written reply to a question by Datuk Seri Anwar Ibrahim (Independent-Permatang Pauh).

"I am baffled by Anwar's question when he himself as the then Deputy Prime Minister and Finance Minister had explained that Dr Mahathir was not involved in Petronas' decision to buy interest in KPB.

"He (Anwar) had also said Petronas decided to buy KPB's interest based on its own evaluation and was not considered a bailout," he said.

\* THE selective currency exchange rate controls implemented since September 1 last year have not affected foreign investors' confidence towards Malaysia, Deputy Finance Minister Datuk Nazri Abdul Aziz said.

"In fact, the selective capital controls have stabilised the capital market and revived confidence among domestic consumers and investors," he said in his reply to a question by Yeong Chee Wah (BN-Batu Gajah).

He noted that there is a significant progress in terms of inflow of foreign funds, especially for long-term investments in telecommunications and manufacturing sectors within September and December last year, against the first eight months of the same year.

\* ENCOURAGED by the consumer response to the "price war" among petroleum companies, the Government decided to allow them to continue with their gimmicks to attract buyers to their petrol kiosks.

Domestic Trade and Consumer Affairs Minister Datuk Seri Megat Junid said generally, consumers are happy with the promotions organised by the respective companies to attract buyers.

However, he cautioned that in the present price war, some companies may not be able to compete and eventually lose out to their competitors.

"We are looking at the benefits to the petrol companies, petrol station operators and consumers. Everyone wants the price war to continue. I view that as the majority voice," he said at the Parliament lobby.

\* TENAGA Nasional Bhd has incurred losses of some RM18.9 million from 2,593 cases of electricity theft detected from September 1998 to January this year, Deputy Energy, Communications and Multimedia Minister Datuk Chan Kong Choy said.

Replying to a question by Mr Chang Kon You (BN-Ipoh Timur), he said the power utility company incurred losses of between RM100 million and RM200 million a year due to the activities of irresponsible consumers.

\* THE establishment of the Group of Eight Islamic Developing Countries (D-8) is not intended to be an alternative to the world's economic power. Neither is it an exclusive group for certain Islamic countries, Foreign Minister Datuk Seri Syed Hamid Albar said.

Replying to a question by Ibrahim Mahmood (PAS-Kuala Kerai), Syed Hamid said the D-8, which also comprises members of the Organisation of Islamic Countries, merely serves as a forum to boost and stimulate economic growth as well as cooperation among member countries.

"We want the grouping to play a prominent role in helping the economy of the Islamic developing nations. We also want D-8 to be more focussed and give priority to projects that are viable for implementation.

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