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PM: We will stick to lpc forecast

DESPITE strong second quarter growth, Malaysia will stick to the conservative 1 per cent gross domestic product (GDP) growth forecast for this year, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"No, we cannot do it (revise the growth forecast upwards) because we do not know the third quarter and fourth quarter GDP figures yet.

"So, we are sticking to our 1 per cent growth forecast," he told local and foreign newsmen after meeting Indonesian President B.J. Habibie in Putrajaya yesterday.

Dr Mahathir was asked whether the Government would revise upwards the growth rate projection for 1999 following the strong expansion of 4.1 per cent in the second quarter.

The Prime Minister said he is happy with the second quarter results and hopes that the country will continue to attain positive growth.

Dr Mahathir said he does not expect the country's growth rate for the third and fourth quarters to be lower than the second quarter figure but cautioned that anything can happen while the country tries to maintain such buoyant growth rates.

"No, I don't think the growth rate in the next quarter will be lower but we cannot predict what other people would do to undermine our economy," he said.

The Malaysian economy shrank by 1.3 percent in the first quarter of this year. The first half of this year saw growth of 1.4 per cent compared with a contraction of 4.2 per cent in the same period of last year. For the whole of last year, the Malaysian economy shrank by 7.5 per cent.

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