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MAHATHIR-ECONOMY

PM TAKES PRIDE THAT M'SIA OVERCAME RECESSION IN ITS OWN WAY

KUALA LUMPUR, July 17 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today expressed his satisfaction and pride in that the country's economic downturn had been overcome by the adoption of effective approaches undertaken by Malaysians in their own way.

He said, "Without sounding boastful, we believe in and are confident of our capability in overcoming whatever problems through our own way or style."

He said although many other countries, including neighbouring ones, wanted to follow Malaysia's footsteps, their hands were somewhat tied and they were not free to act.

The prime minister made these remarks when speaking at the 46th MCA general assembly here.

Dr Mahathir said Malaysia introduced selective exchange controls in September last year to stabilise the economy and insulate it from further economic turbulence.

He said those who had previously condemned Malaysia for its measures were now forced to withdraw their condemnation, those who had strongly criticised Malaysia, were now criticised instead for having made wrong assessments on the country, which indirectly caused investors who were keen to invest in Malaysia originally to lose out.

As an example, he said various foreign economic analysts, foreign media, foreign credit rating agencies, World Bank and the International Monetary Fund, which previously criticised the country and predicted that Malaysia was heading towards doom, now agreed that the methods and approaches taken by Malaysians were good and capable of succeeding.

"And now the Group of Eight countries are discussing how to regulate currency speculators and establish a new global financial regime which Malaysia had advocated from the very beginning," he added.

Dr Mahathir stressed that the selective exchange controls which had fixed the ringgit at RM3.80 per US dollar and regulated investment flows on the Kuala Lumpur Stock Exchange had succeeded in stabilising the country's economic position.

He said according to forecasts by Bank Negara, based on data and economic analyses available, the country's gross domestic product growth for this year is likely to be more than the 1.0 percent.

However, he said the government would like to adopt a conservative stance and would stick its earlier forecast of a 1.0 percent GDP growth for this year and 5.0 percent for next year.

At a press conference later, Dr Mahathir said countries, which were aided by the IMF, did succeed in reviving their economies because they did not follow the conditions imposed by the Fund entirely.

"They (countries concerned) say they have recovered and we believe that there have been some recovery but that is because they have not followed the IMF's advice and directives," he said.

Thailand, for instance, did not follow the IMF's directive on raising interest rates, he said. - BERNAMA

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