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PM: Budget 2000 aims at economic recovery

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THE Budget 2000, to be tabled at the end of the month, is aimed at economic recovery to ensure prosperity in the country, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

The Budget would help get the economy back on firm footing.

Dr Mahathir said trade figures and other economic data "look good", adding that he had yet to see the final third quarter figures.

"I can just say that the Budget is a recovery Budget and I can assure you that everything will be done in order to get the economy back on a firm footing so that everybody will once again enjoy prosperity in this country.

"That's what the Budget is generally for but how many taxes will be cancelled or reduced, that I can't tell you," he told reporters at the Sultan Abdul Aziz Shah International Airport upon arrival from Zimbabwe.

Dr Mahathir had attended the Third Southern Africa International Dialogue in Victoria Falls after his visit to London and New York.

Earlier, to a question on what the Budget would contain, he said in a lighter vein to "ask Tun Daim-lah" (First Finance Minister Tun Daim Zainuddin).

Dr Mahathir said the month-by-month economic figures looked good and gave him confidence that Malaysia could achieve one per cent growth this year.

Asked about the bank mergers, in particular whether he would favour having more than six banks, Dr Mahathir said he was "not in favour of anything" when he said in London that the figure six was "an almost arbitrary figure".

"I was just saying that the figure six was a figure thought reasonable by the Government."

Asked if the Government would consider having more than six banks, he said it all depended on the banks now.

"If they think that it is impossible to achieve the (merger into) six banks, then they will have to make a clear case.

"But what we don't want to see is so many banks in Malaysia ... tiny little banks and some operating with only a few branches. That is not on. They get into trouble all the time."

He said there was no "logical" reason why there should only be six banks but the Government thought six was a good number which would allow Malaysia to have fairly big banks.

"But after we announced that, there seems to be some difficulty in bringing the banks together and determining who should be the lead bank.

"The Government is not going to force this down their throats. We wanted them to give an undertaking to merge. After that, it is up to them to determine the terms of the mergers."

He said they would be advised by Bank Negara on the number of banks.

The country's 58 financial institutions had signed memorandums of understanding on Sept 30 to merge into six entities but the market is now abuzz with talk that there would be changes.

They are supposed to complete due diligence by Nov 15, sign the sale and purchase agreement by Dec 31 and begin operating as merged banks by April.

Asked about yesterday's surge in the Kuala Lumpur Stock Exchange composite index which was attributed to speculation that the general election would be called in November, the Prime Minister said the stock

market moved up and down based on rumours.

"I don't know whether I will hold elections (soon) or not. I have not made up my mind," he said.

However, when asked if the time was right for election, he said it was.

"The support for Barisan is very strong now. Obviously, people want to see Barisan return with strong majority because they know that this will ensure stability in the country.

"Economic growth will take place because Barisan has proven that it can manage the economy in this country even during an unusual crisis, a crisis that most countries found difficult to handle."

He said many had remarked Malaysia could manage its own recovery because it had a strong Government.

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