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Solutions to CLOB issue close, says PM

Kamarul Yunus

MALAYSIA is close to finding solutions to the problems relating to shares activity of the Singapore's Central Limit Order Book (CLOB), Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Speaking to newsmen after tabling the mid-term review report on the Seventh Malaysia Plan (1996-2000) at the Dewan Rakyat yesterday, Dr Mahathir said the Kuala Lumpur Stock Exchange (KLSE) and National Economic Action Council (NEAC) are looking into these problems.

"That is something that the KLSE is looking at, as well as the NEAC, which is studying on how to manage this thing (CLOB issues), without disrupting our stock market," he said, when asked to comment on the status of the CLOB issue. "We are close to finding the solutions. But I cannot say when (the issue will be solved) because I am not really in the position to give specific things," he said.

First Finance Minister Tun Daim Zainuddin had said earlier that the Government is not involved directly in solving the CLOB issue but stressed on the need to settle it as soon as possible.

Daim, who told reporters this after Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi tabled the White Paper on the country's economy at Dewan Rakyat on April 5, also said the issue is being discussed between the KLSE and the Stock Exchange of Singapore.

On whether the worst is over for Malaysia as the local stock market is picking up, Dr Mahathir concurred that this is one of the indicators to show that the country has bottomed out from the severe economic downturn and is on track to recovery.

"I think the worst is over. That is why I said we have bottomed out and are now recovering. All the signs and indicators showed that we are recovering," he said.

He also identified some of the positive economic indicators such as increase in savings, improvement in stock market index, low inflation rate, and reduction in the number of bounced cheques.

"Many companies also registered a rise in their share prices, and are not troubled so much by their non-performing loans," he said.

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