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MAHATHIR-GDP

1999 GDP TO BE MORE THAN 4.3 PCT, SAYS DR MAHATHIR

KUALA LUMPUR, Feb 21 (Bernama) -- Malaysia's gross domestic product (GDP) is expected to exceed the 4.3 percent forecast at the presentation of the 2000 budget last year, Prime Minister Datuk Seri Dr Mahathir Mohamad, said today.

"There may be a possibility of achieving slightly more than that," he added referring to the 4.3 percent projection made during the aborted 2000 Budget which was tabled on Oct 29 1999.

Speaking at a press conference after the inauguration of Ericsson Mobile Communications Sdn Bhd, near here, he said the 2000 budget which would be re-tabled on Feb 25, 2000, would be a repeat of the one presented on Oct 29 last year.

He said the upcoming budget presentation would not contain new announcements and this would include no further cut in corporate tax, now at 28 percent.

Asked on foreign investment on the back of existing selective exchange control measures, Dr Mahathir said foreign investors should take advantage of the fixing of the ringgit at 3.80 per one US dollar.

The Prime Minister advised foreign investors to invest while the ringgit was low and added that Malaysia has no intention to change the value of the ringgit.

Dr Mahathir said despite the existence of the exchange controls, Malaysia did quite well in attracting foreign investment compared to other countries in the region.

On another note, he said the government would introduce laws to encourage tolerance of business failures and take risk among venture capitalists and banks in order to support and nurture innovation in the Multimedia Super Corridor (MSC) projects.

He said the government would not want the innovators to be de-motivated when penalised for failing.

"We want to make it easier for the failures to come back and get a second chance," said Dr Mahathir.

Apart from laws, he said, the encouragement to tolerate business failures includes policies and directives to financial institutions.

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