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CONTRACTION IN TRADE SURPLUS NO CAUSE FOR CONCERN- DR MAHATHIR

KUALA LUMPUR, March 2 (Bernama) -- Malaysia is not unduly concerned over the sharp contraction in the trade surplus for January this year compared to December as the "trade surplus in any given month is not constant," Datuk Seri Dr Mahathir Mohamad said today.

"It is still a surplus and it is quite a lot, sometimes it is more, sometimes, it is less and sometimes there is a deficit (but) we don't worry about that," the Prime Minister said when commenting on the trade figures released yesterday by the Statistics Department.

The trade surplus for January at RM4.5 billion was a sharp decline compared with the surplus of RM8.6 billion recorded in December last year, due to rising imports.

Touching on the country's rising import bill, Dr Mahathir said that it reflected the further pick-up in the economy "as Malaysia imports more intermediate goods to produce finished products."

He said that the increase in the amount imported actually would translate into an increase in the amount of exports.

The a RM4.5 billion surplus was however higher by 4.5 per cent against the RM4.3 billion surplus in the same month last year.

This means that Malaysia's balance of trade has been in surplus for 27 consecutive months since November 1997.

--BERNAMA

MK MR AAM