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MAHATHIR-GDP

MAHATHIR: 2ND QTR GDP GROWTH AT AROUND 9.0 PCT

KUALA LUMPUR, July 11 (Bernama) Malaysia's gross domestic product growth for the second quarter of this year will be about 9.0 percent, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

He said although the percentage was lower than the first quarter growth of this year (11.7 percent), "it is still a good figure."

When asked whether there would be a revision in the annual GDP growth projection of 5.8 percent, Dr Mahathir said that the figure was likely to be maintained.

"Some people say more but we are very conservative," he told a press conference after officiating the Malaysian Structural Steel Convention and Exhibition 2000 at Seri Kembangan near here.

To a question, he said that the government would not re-peg the ringgit against the US dollar unless the situation became uncompetitive for Malaysia.

"It (the peg) will remain until we reach a situation where we become totally uncompetitive," he said.

Dr Mahathir stressed that the pegging (of the ringgit at RM3.8 to a US dollar) had done very well for the country.

"Nobody is hurt, why should we revise it?" he asked.

Concerning remarks by certain quarters that the government's move in bailing out some local companies would have an effect in three to five years, the prime minister said foreign countries were also doing the same in terms of bailing out companies, adding that they (foreigners) were doing quite well and these companies included the US-based Long Term Capital Management Fund (LTCM).

"They say it is good for them and so we are just copying them," he added.

When asked whether the 2001 Budget would have a surplus, he said "there is a possibility but it also would depend on how the government wants to spend. We think we need to spend money to stimulate the economy." ---

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