

GOVT BOOST

STAR

26 MAR 2001

Billion-ringggit push for economy to counter global slowdown

KUALA LUMPUR The Government is expected to announce a package worth several billion ringgit to boost the economy and counter the anticipated global slowdown

Details of the package are expected to be announced by Prime Minister Datuk Seri Dr Mahathir Mohamad later this week

Sources told *The Star* that the money was likely be used for pub

lic works loans to small and medium sized industries and agriculture

With the US heading for a hard landing and possibly a recession this year our exports will be adversely affected and to counter this the Government must step in to boost the domestic economy sources said

The Malaysian economy grew by 8.5% last year and the Government

is targeting a growth of 6-7% this year

However if the United States goes into a recession Malaysia's growth could be trimmed to as low as 4% according to analysts

In Langkawi ANTHONY TAN reports Finance Minister Tun Daim Zainuddin as saying that Malaysia must be prepared because there was a slowdown in the United States

Confirming that the Government would soon announce measures Daim said The Government will make a statement on the steps to be taken

He was speaking to reporters after chairing a Langkawi Development Authority (Lada) board meeting

Daim who is Lada joint chairman said Malaysia's exports

would be affected by the US slowdown due to reduced consumption because the Americans did not have savings but liked to borrow

He hoped Malaysians would continue spending because the savings rate of 40% in the country was already high

Our savings of 40% is already a lot If we save anymore *kacaulah* (there will be problems) he said