

# We still have the edge, says Dr M

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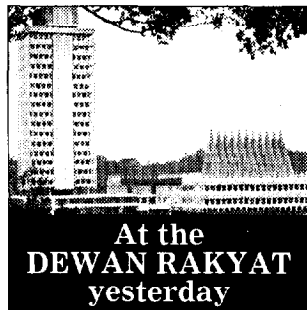
Prime Minister Datuk Seri Dr Mahathir Mohamad gave an assurance that the country's economic fundamentals are still strong, with the inflation rate and the producers price index still low.

These indicators show that Malaysia still has its competitive edge, he told **Ronald Kiandee (BN-Beluran)** during question time.

He said foreign reserves until Sept 29 amounted to US\$29.7 billion and were capable of paying 4.6 months of deferred imports.

He said the US attacks have changed the world economic scenario and have threatened the world financial markets and international trade.

"Malaysia was not spared from the negative economic effects faced by our trading partners," he



said.

"This year's growth rate is expected to be lower than the forecast 7% during the tabling of Budget 2001 and was only 5% to 6% in last March's review."

The new growth rate will be announced during the tabling of Budget 2002 on Oct 19.

Mahathir, who is also the finance minister, said Malaysia, which experienced growth for seven quarters since 1999, has

seen a decrease by 3.1% in the first quarter of this year.

He said the country's exports are expected to decrease because of less than encouraging external demands.

"It is the same situation with foreign investments," he said, adding that transportation, insurance and tourism are similarly affected.

Mahathir said the US attacks had also affected the Kuala Lumpur Stock Exchange, which saw it depreciate by 10.9%. In addition, other regional bourses were affected.

He said every Malaysian has to work hard and continue to support the government's efforts.

"Whatever one's political stand is, we must be responsible to uphold national unity and national integrity," he said.