

Dr M: Strong fundamentals

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'Nation still commands competitive edge'

PRIME Minister Datuk Seri Dr Mahathir Mohamad assured the Dewan Rakyat yesterday that Malaysia's economic fundamentals remained strong as the inflation rate and producers price index were low.

These indicators showed that Malaysia still had its competitive edge, he said in reply to a question from Ronald Kiandee (BN-Beluran) who asked for the effects of the attacks on the United States on the national economy.

Dr Mahathir, who is also Finance Minister, said foreign reserves until Sept 29 amounted to US\$29.7 billion (RM112.86 billion), sufficient to finance 4.6 months of retained imports.

He did not deny that the attacks on the US had changed the economic world scenario and had threatened the world financial markets and international trade.

"Malaysia is not spared the negative economic effects faced by our trading partners.

"This year's growth rate is expected to be lower than the forecast seven per cent during the tabling of Budget 2001. The new growth rate will be announced during the tabling of Budget 2002 on Oct 19," Dr Mahathir said.

He also said that each Malaysian had to work hard and continue in his efforts to support the Government. "Whatever one's political stand, he must be responsible to uphold national unity and integrity."

Kiandee in a supplementary question asked how confident the Government was that the RM4.3 billion stimulus package announced last month would help the economy.

Dr Mahathir said the package was a long-term plan and would be able to overcome some of the economic problems that arose from the attacks on the US, if not all.

"The stimulus package was needed as when Budget 2001 was tabled, we did not expect the US economy to do so badly and we did not expect the Sept 11 attacks.

"This has changed the world economic scenario and we have to take action to overcome the problems that arise," Dr Mahathir said.

To another supplementary question from Datuk Mohd Ali Hassan (BN-Tebrau) on whether Asean countries would discuss the economic problems, Dr Mahathir said the Asia Pacific Economic Cooperation would meet this month and the Asean Summit in Brunei next month would give leaders the opportunity to do so.

To Mohd Ali's question about Malaysians working in Singapore

who were retrenched, Dr Mahathir said Malaysia had ample job opportunities for them.

"We can accept them and retrain them to work here. For now, the number retrenched is far lower than the number of jobs available here," he said.

Datuk Ahmad Husni Hanadzlah (BN-Tambun) in a supplementary question asked about the US companies that had to close down following the attacks.

Dr Mahathir said Malaysia had vast experience in overcoming economic problems with the establishment of companies like Danaharta and Danamodal as well as the Corporate Debt Restructuring Committee which managed to overcome many problems.

"We are also not alone in the practice of bailing out companies as countries that criticised us before for doing so seem to be emulating us."