

M'sia's economy quite okay: IMF

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Low inflation-, sustainable budget compared to others

KUALA LUMPUR: The country's economy is "quite okay" compared to other countries in the region, a visiting International Monetary Fund team said.

IMF executive director Dono Iskandar Djojosoebroto made the remark to reporters after meeting deputy Prime Minister Abdullah Ahmad Badawi Thursday, newspapers said yesterday.

Dono Iskandar and four other executive directors of the fund were in Malaysia on the last leg of a tour which has taken them to Vietnam, Thailand and Cambodia.

"So far, we agree Ma-

laysia is quite okay compared to other countries in the region like Indonesia. Things look alright, with inflation very low and the budget is sustainable," Dono Tskandar said.

The delegation has said it is here to listen and not to negotiate with or direct Malaysia on what it should do with its economy.

"In fact, I as IMF executive director for Asia, invited the other executive directors to come to my region to familiarise themselves with this area," said Dono Iskandar, who is from Indonesia.

Delegation leader Wei

Benhua said the visit, a routine practice by the Washington-based IMF, is to enhance its understanding of the economic situation and policies of member countries.

"We are not supposed to take a position. We are here to listen to the views of the authorities and bring back (the finding) to Washington. Next time, when we have discussions on policy issues, we'll be in a better position to make an assessment," Wei said.

Malaysia, which is deeply suspicious of IMF prescriptions and refused its help in the 1997-1998 Asian economic crisis,

last week revised downwards its economic growth forecast for this year to 1.0-2.0% because of a greater-than-expected slowdown in the world economy.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also finance minister, said the Sept 11 terrorists attacks on the United States had a "substantial initial impact" on the already difficult global economic conditions.

In March, the government cut its growth estimate from 7.0% to 5.0-6.0% after a strong expansion of 8.3% last year. AFP