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`Finances managed well'

Ramlan Said

MALAYSIA does not have to seek any loans from the World Bank as the country's finances have been managed efficiently, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

This success would not have been achieved if those entrusted with managing the country's coffers had not been efficient.

Dr Mahathir, who is also Finance Minister, said if there were weaknesses in managing the economy and spending, the Government might have been forced to borrow from those who had always harboured the intention of dominating the country.

"Many developing countries are forced every year to beg and to ask for charity from the Paris Club and others.

"We used to borrow from the World Bank but there is no need to do this anymore. We still borrow from certain quarters but they do not impose conditions on us, they even extend favourable loans to us," he told Finance Ministry staff at the ministry's monthly gathering at Jalan Duta yesterday.

(The Paris Club is an informal group of official creditors whose role is to find co-ordinated and sustainable solutions to the payment difficulties of debtor nations.

(The first meeting with a debtor country was in 1956 when Argentina agreed to meet its public creditors in Paris. Hence the name Paris Club.)

This was Dr Mahathir's first visit to the ministry since taking over the post from Tun Daim Zainuddin who resigned on June 1.

The Prime Minister said efficient management of the country's finances would thwart any attempts by foreign parties to colonise the country economically.

"Surely if we have not been efficient, the situation in the country will not be what it is today. The economy has been restored and efforts to further develop the country, like through the Eighth Malaysia Plan and Third Outline Perspective Plan, are being taken."

Treasury officials played an important role in determining the country's independence.

Alluding to attempts to impoverish the country like the attacks on the currency, Dr Mahathir said when the economy was in trouble, the affected countries would then be forced to seek assistance.

"When we borrow because we are poor, the economy and country will be under their control. If this happens, we will no longer have any say or power in the running of the country."

The Prime Minister said Malaysia was still free and not indebted to certain parties as experienced by some developing countries.

"We want to preserve this independence. Therefore, it is imperative that the country's finances are managed well, in which the Finance Ministry plays a crucial role."

Dr Mahathir called on the staff to be prepared and to equip themselves with more knowledge in facing the challenges of a globalised world, such as attempts to re-colonise the country.

"I believe although there are sometimes changes in the Finance Minister's post, the officers and other staff will remain and they are the ones who will provide the continuity in managing the country's finances."

He expressed confidence that Finance Ministry officials would not neglect their responsibilities and would improve on their performance.

On his tenure as Finance Minister, Dr Mahathir told the gathering: "I thank all of you for the good work and I hope during my stint as Finance Minister, which I don't know how long it will be, I will receive the same support and co-operation."

Dr Mahathir will chair the first pre-Budget 2001 dialogue session in Putrajaya today. The sessions are held annually to get feedback from various economic sectors before the Budget is drawn up.