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Mahathir-Budget

DR M: 2002 BUDGET TO PROTECT NATION'S ECONOMY

KUALA LUMPUR, Oct 15 (Bernama) -- The 2002 national budget to be tabled here on Friday will emphasise on protecting the Malaysian economy through fiscal initiatives and the people should support the government's efforts and be prepared to face the eventuality of recession, Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight.

He said the government was confident that with the diversified national economy, Malaysia would not suffer as much as the other countries which depended on one or two sources of revenue.

As such, Dr Mahathir, who is also the finance minister, said the people should act wisely and be prepared to face the possibility of a recession while the government would endeavour to prevent its full blown effects from affecting the overall economy.

He made these remarks in a special interview aired over RTM. In the interview, Dr Mahathir was asked on the effects of the Sept 11 attacks in the United States on Malaysia's economy, politics and national security.

Dr Mahathir said some of the actions that could be taken by the people are to spend more domestically and not to give problems to retailers, suppliers and even factory workers.

"In view of this, we are asking that we should convince ourselves that the situation will improve in the future. We should spend what we have in the country."

He said Malaysians should not take their money abroad and go on overseas tours.

"If they want to go to Langkawi, thanks God, but if money is taken out of the country, then we will have problems."

Asked about the effects of the Sept 11 terrorist attacks on the Malaysian economy, Dr Mahathir said: "There is obviously much impact because our trading partners are facing problems, will not buy our goods and this is not just the United States but also those which have economic ties with the U.S., their economies have also been affected."

As such, the markets for Malaysian goods had shrunk and this had caused an economic slowdown but this could more or less be tackled by domestic action (by the government) and co-operation by the people so that its impact would not be that serious.

Asked whether the RM4.3 billion fiscal stimulus programme announced recently would help overcome the country's economic problems, Dr Mahathir replied: "Yes, in one way or the other, it can help overcome problems but not all of them because the capability of the government is limited. We cannot exceed our spending until we have to be in debt to others for this will weaken us."

Burt he said the government would try its best to use the fiscal measures to improve the economy slightly but the people and the private sector would have a role to play and this would be announced in the 2002 Budget to be presented on Friday.

Referring to the slowdown in Penang's economy, which had become overly dependent on electronics and tourism, Dr Mahathir said new job opportunities in the state were more than the number of people retrenched.

He said those who had been retrenched must be prepared to undertake other jobs to support themselves.

As for tourist arrivals, Dr Mahathir felt that the numbers from the United States and Europe might drop but they did not account for large

numbers of tourists into Malaysia.

He said those who came in large numbers were from Asean, Japan, China and India and Malaysia was capable of attracting these tourists.

Recently large numbers of Arab tourists were also keen on visiting Malaysia.

The prime minister said efforts must be made to increase visits by tourists from these countries because they would not go to Europe or America this time around.

Asked on the emphasis on recent efforts to promote tourism among Islamic nations which gave the impression that tourists from the West were ignored, Dr Mahathir said it was wrong to perceive that the campaign for tourists from Islamic countries meant that Malaysia did not want tourists from non-Islamic countries.

"We want them (Western tourists) to come but we need to increase efforts to attract tourists from Islamic nations.

" We also have special efforts to attract tourists from East Asia but that does not mean that we don't welcome Arabs."

Malaysia, he said, had to concentrate on certain tourist segments and this time it was concentrating on Islamic nations because of their potential in increasing tourists arrivals into the country.

Besides increasing the number of tourists, Dr Mahathir said attracting foreign students to further their studies in Malaysia had also contributed to the country's economy.

"We have 15,000 foreign students and we can consider a student who studies in Malaysia as 360 tourists who come for a day, because they stay here not only for one or two days but one, two years."

He said the government had been informed that a lot of foreign students in certain countries were looking for other places to study because the situation there was not that conducive.

"So, we have the potential to attract them. For example, a lot of them are not keen to study in America because of the high costs and because they feel they may not get good treatment. We can attract them here by having enough (educational) institutions for them," he said.

-- BERNAMA

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