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MAHATHIR-ECONOMY

MSIAN ECONOMIC RECOVERY BETTER THAN OTHER COUNTRIES

KUALA LUMPUR, April 23 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said all the economic statistics show that the Malaysian economy has not only recovered but the recovery rate was better than those of other countries that were also affected by the 1997-98 financial crisis.

"After the Gross Domestic Product (GDP) contracted by 7.4 percent in 1998, a growth of 5.8 percent was achieved in 1999 and 8.5 percent in 2000," he said when tabling the Eighth Malaysia Plan (8MP) at the Dewan Rakyat today.

Dr Mahathir said the external reserves increased from US\$20 billion (RM76 billion) in 1997 to US\$27 billion (RM102.6 billion) now.

"At the end of 1999, the reserves increased to US\$31 billion (RM117.8 billion) but declined moderately due to increased imports, repatriation of profits and proceeds from the sale of shares and reverse investment by Malaysian firms as well as the depreciation of the yen and euro which form a part of our foreign reserves," he explained.

He said that the unemployment rate remained low at about three percent with low inflation.

Dr Mahathir said exports increased and surpassed RM287 billion while total trade ballooned to RM515 billion.

The balance of payments was in Malaysia's favour and the per capita income increased from RM12,160 in 1998 to RM13,360 in 2000, he added.

The Prime Minister said, "All these figures are true and not fabricated. Nevertheless, there were certain parties who claimed that the Malaysian economy was in a bad shape due to the approach adopted by the government.

"This claim truly demonstrated the naivety of the opposition parties. As usual, they were unable to differentiate between the good and the bad. Their eyes were blinded by their political motives. But as the Malay proverb says, anjing menyalak bukit, bukit tidak akan runtuh (like a dog barking at a hill, the hill will not collapse)".

Dr Mahathir said the Barisan Nasional government will continue to implement the 8MP, which forms the first phase of the National Vision Policy (NVP).

"We believe that everything that has been planned and predicted by the government will become a reality within the five-year period of the 8MP."

He said the achievement of the BN government in implementing the five-year plans was there for everyone to see.

"We do not only plan. We have implemented our plans successfully. We remain confident that the 8MP will also be implemented successfully for the rakyat and Malaysia," he added.

Dr Mahathir said any efforts to obstruct the implementation of the 8MP will ultimately fail as all Malaysians will defend it together with the government.

The Prime Minister said that over the last few decades, Malaysia has laid a strong foundation for a rapid and sustainable economic growth, which had been tested several times when both internal and external factors caused its economy to slow down.

He said, "The latest challenge was when the currency speculators pushed down the value of our currency and the Kuala Lumpur Stock Exchange. Yet, each time we not only succeeded to save the economy but developed it at an even faster pace."

He pointed out that attacks on the economies of the East Asian tigers caused these countries to face severe crisis.

Dr Mahathir added, "We have chosen not to borrow from the IMF (International Monetary Fund) in our efforts to revive the economy and strengthen the financial position of the country.

"Although renowned experts from all over the world predicted that Malaysia will eventually collapse due to the currency control imposed, today all of them, including George Soros were forced to admit that the Malaysian approach was capable of overcoming the economic crisis due to the devaluation of the currency and the decline in the share market." --

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