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Positive growth forecast (HL)

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KUALA LUMPUR, Mon. - Malaysia's third quarter growth will be positive but below one per cent owing to the impact of a global economic slowdown and continued weakness of the American economy.

Prime Minister Datuk Seri Dr Mahathir Mohamad said today the figures were expected to be about the same as the second quarter which registered 0.5 per cent growth in gross domestic product.

"We would have some positive growth, maybe 0.5 per cent, maybe slightly more," he told reporters after opening the Conference on Water and Wastewater for Developing Countries. Asked if it would be below one per cent, he said it would.

Bank Negara Malaysia is scheduled to announce the third quarter figures on Nov 22, its governor Tan Sri Dr Zeti Akhtar Aziz said last week.

Malaysia, an export-oriented economy, has been affected by the continued weakness of the US economy.

The GDP growth in the first quarter stood at 3.1 per cent, while the subsequent quarter registered 0.5 per cent.

Meanwhile, asked about the call by a Government backbencher to drop non-performing ministers, Dr Mahathir said he could drop all the ministers, just as he could also drop MPs who do not attend parliamentary meetings.

"When we throw stones, make sure they do not bounce back at us. Those in glass houses should not throw stones," said Dr Mahathir, laughing as he issued the warning to MPs who had come under fire for not attending parliamentary meetings.

Two weeks ago, Kinabatangan MP Datuk Bung Mokhtar Radin sparked a debate when he urged the Prime Minister to sack non-performers.

On the Auditor-General's report highlighting weaknesses in the Development Programme for the Hardcore Poor, Dr Mahathir said the problem arose because the Government had to depend on feedback from people on the ground.

"We have to depend on these people to give us a report on those who deserve and need help. Maybe, there is favouritism or that they choose the wrong persons but the government gets the blame," he said.

He added that short of sending the Rural Development Minister to identify aid recipients, the Government still had to depend on officials and politicians like elected representatives.

Among others, the Auditor-General's report said some recipients of the low-cost homes under the programme owned luxury cars and had a high income.

Established in 1989, the programme provides low-cost houses for rent at nominal rates and other forms of economic assistance to the hardcore poor, officially classified as families with a combined monthly income of RM230 or less.

On foreigners taking over Malay reserve land in Selayang, Dr Mahathir said the lack of enforcement was not necessarily owing to corruption.

"It's the system. Unless the officers have no other work, they cannot always know that the buildings are illegal until they check.

"Allegations are fine but we need proof. We can't go up to the person and say: 'Look, something is wrong, you must have taken money.' The courts will throw it out."

He added that the system had to be reviewed.

Asked about a report on the Terengganu Government, under Pas, logging

4,000 hectares of permanent forest reserve in Sungai Paka, he said that was the result of voting in irresponsible leaders.

"They only want profits and destroy the forest without control," he said, adding that while the Government allowed logging, it was controlled.

He added that the Government was aware that the Terengganu Government was awarding logging concessions to party cronies.