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PM: Malaysia's financial management prudent

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KUALA LUMPUR, Mon. - Malaysia does not have to rely on foreign loans because of the country's prudent financial management, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

This was the reason why the country was not bogged down with huge loans until it was forced to utilise its revenue for repayment, he said.

Dr Mahathir, who is also Finance Minister, said the efficient handling of the finances also enabled the Government to undertake large projects without hurting its coffers.

"We do borrow but it is on a moderate scale, with most of the loans from domestic funds," he told Treasury staff at its monthly gathering at the Jalan Duta government complex.

It was the last gathering to be held there as the Ministry will start operating from its new office in Putrajaya next month.

The country's strong financial standing and less dependence on external funds also enabled the Government to withstand pressure from other parties.

Dr Mahathir said the Government did not spend more than what it could.

"Although we carry out major projects like Putrajaya, we know we will not go bankrupt because of them.

"If the country becomes poor and we do not have the money, perhaps we will have to sell this new building. But thank God, until now, we have been able to handle our finances efficiently."

Even if the Government took up foreign loans, the Prime Minister said it was not because of a lack in local funds but more for the purpose of determining the country's credit worthiness.

Describing it as a benchmarking exercise, Dr Mahathir said whenever Malaysia voiced the intention to borrow, many parties would make an offer.

"In fact, the offers exceeded the amount that we asked for," he said, adding the good response from overseas creditors reflected their confidence in the country's economy and the Government's efficient financial management.

Praising Treasury staff for their good work, Dr Mahathir said the sterling performance should be maintained, despite the country having a new Prime Minister and Finance Minister next year when he is scheduled to leave office.

Touching on the 2003 Budget, which is expected to be tabled in Parliament on Sept 20, Dr Mahathir said it would once again reflect the country's strong economic and financial position.

"I am confident we will be able to narrow the deficit and with that, our ratings will further increase.

"That's why we are prepared to build the new administrative centre in Putrajaya because it is within our capability."

Dr Mahathir said he hoped the shift to Putrajaya would provide a more comfortable working environment for the staff, leading to better work performance.

In jest, Dr Mahathir said it was fortunate that because of requests he continued as Prime Minister, he would have the chance to occupy the Finance Minister's new office in Putrajaya.

"Now for at least a year until October next year, I will have the opportunity to work in the new building just like everyone else."

Dr Mahathir said it was hoped the move to Putrajaya would be a lasting

one as the administrative centre was designed to cater to the Government's needs for at least 100 years.

The Finance Ministry's shift to Putrajaya will be carried out in stages, with the whole exercise expected to be completed by the end of next month.
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