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Measures to boost economy (HL)

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PUTRAJAYA, Sat. - The Government has identified several strategies that need to be rearranged to stimulate the economy next year, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the economy was recovering. "I think it will pick up well unless something happens.

"We are also rearranging our strategies. We know many countries will not recover that fast," the Prime Minister said at his open house for VIPs at Seri Perdana.

"Many people will not fly (due to the threat of explosions on aircraft). So, we will have to look at other ways of stimulating our economy. We have identified a few strategies."

Dr Mahathir said Malaysia had enjoyed reasonably good economic growth for some time now.

"Fortunately for us, people are still spending money. That is because they have confidence in the ringgit.

"If people lose confidence in the currency and think the country is going to devalue the currency or if the inflation rate is high, then they will not save and will not spend money in a wise way."

On the kind of incidents he was referring to, he cited the handling of terrorist attacks (by the world) as an example.

"They (the aggressors) are aggravating the situation. We do not feel safe when travelling and when people don't feel safe travelling and flying, business cannot be done and that will affect the growth of the economy in general.

"We want to make sure that there will be no more terrorist attacks.

"We may not like the things we do. But the fact is that if we don't try to remove the reason, then the situation will continue ... it will make matters worse and we will have to live with terrorism for a very long time."

Dr Mahathir said the world was aggravating the reasons that caused terrorism. The Israeli army, for example, he said, was killing Palestinian civilians including children, and the world did not stop it.

"In fact, they want to stop the Palestinians. At one time, they identified the terrorist to kill him.

"Now they identify the whole household or settlement or town if they suspect there are two or three terrorists and destroy the entire house or settlement.

"This makes the people very angry and it is difficult to make them stop expressing their anger. The only way they can express their anger is through terrorist attacks."

Dr Mahathir also said Putrajaya was growing according to schedule with the exception of embassies, which had not moved there.

"We have reserved a nice area for the embassies but ...they probably want to have their visa offices in Kuala Lumpur as otherwise people have to travel to Putrajaya for their visa applications. They can do that."

On whether loan schemes for petty traders, like the one that has been suspended by the Federation of Hawkers and Petty Traders Malaysia since 1997, would be revived to overcome loansharking, he said this could be considered.

"But loan takers must remember to honour their commitment. When they fail to, other people are affected as the lender does not feel confident

enough to release loans. The ability to repay loans is very important."