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Mahathir-Economy

MALAYSIA'S ECONOMY POISED TO IMPROVE FURTHER

PUTRAJAYA, Dec 7 (Bernama) -- Malaysia's economy is poised to improve further next year barring any unforeseen events which could derail the nation's economic momentum, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"We think it will pick up unless something happens. Malaysia would do fairly well because we are arranging our strategy," he said.

He said the government realised that many countries would not recover economically and that many people would not fly "so we will have to have some other way of stimulating our economy."

He said the government had identified certain areas which could give the country a much-needed economic boost but declined to say which sectors would get the push.

"I can't tell you...top secret, it's our strategy," Dr Mahathir told reporters after his Hari Raya open house for foreign dignitaries, diplomats and local leaders at his official residence here.

The government stopped giving out interest-free loans at the height of the regional economic crisis in 1997 and has yet to restore the facility.

"But when we give loans, people must remember that they have to honour their commitments. When some people fail to honour their commitments, fail to pay, it affects other people. So when other people go to borrow, those who lend would not have confidence in them to pay back.

"Ability to pay loans is very important. I know of a country which will pay their loans irrespective of how much they are getting. They regard repayment of loans as a matter of honour. We must regard paying loans as a matter of honour, then we will have an easier time borrowing money," Dr Mahathir said.

On another matter, the Prime Minister said it was up to the embassies and high commissions in Kuala Lumpur to relocate their offices to Putrajaya, the country's new federal administrative centre.

"Putrajaya is growing well according to schedule except that the embassies have not moved (here), but I suppose that the embassies want to have their visa office in Kuala Lumpur...they can do that for the convenience of the people. But we have reserved a nice area for embassies here," he said.

-- BERNAMA

SR SM RV YBY