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MAHATHIR-GROWTH

GOVT CONFIDENT OF MORE THAN 4.5 PCT GDP GROWTH THIS YEAR

PUTRAJAYA, June 9 (Bernama) -- The government is confident that the country's economic growth can exceed 4.5 percent this year if all groups concerned are determined in implementing the measures contained in the economic stimulus package announced on May 21, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

The package should be implemented with determination so that its objectives could be achieved, he told reporters after chairing the 3rd session of the 2004 Budget dialogue session here.

The government had forecast a growth of 4.5 percent for this year but there had been reservations that this could be achieved because of the economic fallout resulting from the war in Iraq and the Severe Acute Respiratory Syndrome (SARS). In 2002, the Malaysian economy grew by 4.2 percent.

Dr Mahathir said the Malaysian economy had responded well to the government's stimulus package so far if one took into the consideration the movement of the Kuala Lumpur Stock Exchange's Composite Index.

"The response is very good. If you take the share market index as an indicator, it seems that the people have responded very well," he added.

"For the first time, it (the KLCI) has decoupled from the New York Stock Exchange. Normally, we go up and down according to the Dow Jones (index) but now while the Dow Jones is down, we are still up. So it's a good thing," he added.

When Dr Mahathir, who is also the finance minister, announced the stimulus package on May 21, the KLCI went up by 3.41 points to 640.37 points.

The KLCI surged to 682.43 points last Thursday and moved to its year's high today when it settled at 685.25 points at today's midday close. --

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MAM SHY