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MAHATHIR-ECONOMY

GOVT STIMULUS PACKAGE TO COUNTER NEGATIVE EFFECTS OF Q2 2003

PUTRAJAYA, June 10 (Bernama) -- Datuk Seri Dr Mahathir Mohamad today said the nation's economy may see negative growth in the second quarter of this year if the government did not take steps to overcome that possibility.

As such, the prime minister said the government had unveiled the new stimulus package on May 21 to jump-start economic activities in the country as well as meet the external negative effects head-on,

He said the economic numbers up till the end of March 2003 did not take into account the war in Iraq and the Severe Acute Respiratory Syndrome and they may have a negative impact in the second quarter and beyond if the government did not take steps to overcome them.

"If we can implement all the 90 measures in the stimulus package, I am confident that the country can achieve economic growth at more than the projected 4.5 percent economic growth," he said when chairing the fourth and final pre-budget dialogue for 2004 here.

Dr Mahathir said the country was currently facing an uncertain international economic and trading environment as a result of geo-political developments and SARS.

He said the threats of terrorism had also returned with the bombings in Saudi Arabia, Morocco, Afghanistan and Israel and fighting in nearby Aceh in Sumatra. -- BERNAMA

MAM SHY