

04 JUN 2003

SHAFIE-ECONOMY

PACKAGE STRENGTHENS COUNTRY'S ECONOMY

SHAH ALAM, June 4 (Bernama) -- Deputy Finance Minister Datuk Dr Shafie Salleh said here today that signs of economic improvement could be seen following the introduction of a new package by the government last month to spur the country's economy and 10 measures announced in March to strengthen the capital market.

However, he said that the positive effects could only be determined after three months.

"Only at that time can we be 90 percent confident to say that our economy is ok. But now the signs are there," he told reporters after attending Bank Simpanan Nasional (BSN) and Bank Pertanian Malaysia Bhd (BPMB) Micro-Credit scheme briefing, here today.

Last month Prime Minister Datuk Seri Dr Mahathir Mohamad announced the New Strategic Economic Package worth RM7.3 billion to boost the country's economy.

Under the package the government has allocated RM1 billion to implement the micro-credit scheme to provide loans for small scale businessmen.

While in March, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi announced the 10 measures to strengthen the capital market.

As for the micro-credit scheme, Shafie said that the facility would help to generate domestic economic activity amidst the drop in the flow of foreign investors.

BSN and BPMB launched the programme yesterday. Under the programme, RM300 million has been allocated to BSN to finance non-agricultural projects while RM500 million to BPMB to finance agricultural-related activities.

Shafie said that the Prime Minister wanted the banks to submit reports on the development of the micro-credit scheme each week.

"We want the micro-credit scheme to be successful as we cannot really depend on foreign investments. So we have to generate domestic economic activity," he said. -- BERNAMA

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