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MAHATHIR-WAR

IRAQ WAR: NO IMMEDIATE IMPACT ON THE ECONOMY, SAYS PRIME MINISTER

KUALA LUMPUR, March 21 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that the US-led war against Iraq would not have an immediate impact on the Malaysian economy.

"Immediate (impact) ..no. But it is bound to happen," he told reporters after chairing the Umno Supreme Council meeting here today.

The prime minister however assured the people that the government will find ways to overcome the impact, if any, by studying the matter thoroughly.

Dr Mahathir, who is still on leave, said that some distractions could be expected in activities such as in flight routes while more people might postpone plans to visit the country.

"I do not know about any hike in prices of goods. But for sure, insurance for transportation (for internal and external trade) will be increased," he told reporters here today.

However Dr Mahathir stressed that the government will ensure a stable and ample supply of goods.

He also urged the people not to hold any demonstrations following the US and its allies strikes on Iraq.

"We do not want any irresponsible actions that can jeopardise the stability of the local economy," he said.

When asked to comment on fluctuating oil prices amidst the war, Dr Mahathir said that some parties believed that the prices would be stable if the war ended swiftly.

"But I do not know, sometimes they response to different things. Sometimes it is just a politics of (determining) the oil price," he said.

Similarly on the stock market performance, Dr Mahathir said that at times he was puzzled by some of the decisions made by foreign investors' in investing in the local bourse. -- BERNAMA

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