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RAFIDAH-STIMULUS

STIMULUS PACKAGE AS PRECAUTIONARY MEASURE IF US ATTACKS IRAQ

KUALA KANGSAR, Jan 7 (Bernama) -- The government wants to implement a stimulus package this year as a precautionary measure in the event of an economic downturn if the US attacks Iraq, International Trade and Industry Minister Datuk Seri Rafdiah Aziz said here today.

She said that what the government intended to do has been done since three years ago and it was to prevent Malaysia from being badly affected if the global economy turned soft.

She said that an economic downturn would not only affect investment flow but also the country's exports.

"We need to anticipate this before it takes place because we will not know when war will erupt in Iraq. If there is war in Iraq, the global economy will fall and deteriorate further from the current situation," she told reporters after presenting certificates to 35 TABIKA KEMAS-Philips students at Kampung Senggang, here today,

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said that the government would implement another stimulus package this year to further generate economic growth.

The Prime Minister, who is also the Finance Minister, said that measures like injecting funds into the economy and spending money on short term projects might be taken to increase the circulation of money in the country.

If the package is implemented it would be the third one since the first was introduced in March 2001 where the government injected RM3 billion, the second package involved RM4.3 billion at the end of 2001 after the terrorist attacks on the US on Sept 11.

Rafdiah said that if war occurs, Malaysia would also be affected as its exports would drop and that investors would be afraid to invest, including in Malaysia.

"We have to be prepared. If it happens, it will affect the entire global economy. Before it affects us, the government takes precautionary measures namely by introducing these stimulus packages," she said. --

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