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Rating

MOODY'S GIVES M'SIA HIGH RATING FOR ECONOMIC AND POLITICAL STABILITY

KUALA LUMPUR, Feb 7 (Bernama) -- Moody's, the international rating firm in New York, has given a high rating to Malaysia based on its sound economic fundamentals and the rapid growth chalked up over the past several years.

The "A-1" ranking, which is considered high taking into account a country's sovereign credit rating, lauds Malaysia for several attributes, notably its stable political environment.

In its annual report on Malaysia issued here today, the firm said Malaysia's political stability was illustrated by the national elections in 1995 which resulted in a sweeping victory for the ruling coalition and in Prime Minister Datuk Seri Dr Mahathir Mohamad winning his fourth five-year term.

The firm also said that Malaysia also benefitted from its strong export prospects, a very high savings rate and a low inflation scenario.

Moody's analysts said the structural changes taking place in the country should place the economy on a more internationally-competitive footing but they cautioned against supply bottlenecks such as over-stretched infrastructure and labour shortages.

To overcome such bottlenecks, the Malaysian government took pragmatic measures by initiating large-scale infrastructure projects such as a new international airport, numerous highway and road projects, port expansion and light rail transit system in Kuala Lumpur.

On "Vision 2020" which is Malaysia's bid to be a first world nation, Moody's suggested that industrial skills should be enhanced, otherwise, the country might lose some investments to other countries with lower wages or higher skills level. -- BERNAMA

MR LDB