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Daim: Economy to grow by 1-2pc next year

THE Malaysian economy is expected to grow by 1-2 per cent next year after posting negative growth this year, Special Functions Minister Tun Daim Zainuddin says.

"That would be signs of recovery," Daim told the Oxford-Cambridge Society Roundtable Discussion in Kuala Lumpur yesterday.

The third quarter performance is expected to be better than the preceeding quarter, he added.

"This year, we are definitely heading towards a negative growth as damage has been done to the economy.

"Next year, maybe, we would see a 1-2 per cent growth, but not negative.

"The slide could possibly be deeper if we fail to get measures in the National Economic Recovery Plan implemented," Daim said.

"Please have no fear about our sense of urgency.

"The Government is committed towards getting the economy back on track. There is a good chance that we can come out of this crisis stronger," he said.

The Government is facing a big challenge in revitalising the economy, Daim said. "Yet for most Malaysians, they do not feel it."

Therefore, when Prime Minister Datuk Seri Dr Mahathir Mohamad said the Government would implement "shocking measures", it was partly to draw attention to the seriousness of the situation, he added.

Daim also said the Government does not intend to bail out ailing companies.

"They may not want to admit it ... (but) I think most of them are in trouble. It is not our intention to bail them out," he said.

The Government is instead concentrating on reviving the economy as a way to help the companies.

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