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LEAD Daim

DAIM REJOINS CABINET WITH ECONOMIC PORTFOLIO

KUALA LUMPUR, June 24 (Bernama) -- Former Finance Minister Tun Daim Zainuddin has rejoined the Cabinet following his appointment to a key position as Special Functions Minister in the Prime Minister's Department dealing with economic development.

The appointment of Daim, 60, was announced in a statement by the Prime Minister's Office today.

"Tun Daim is tasked with functions relating to economic development matters," was how the short statement announcing his appointment put it.

Daim's return to the Cabinet comes at a time when the Malaysian government is grappling with the worst economic crisis in the nation's history, an issue which has preoccupied Daim since the regional economic turmoil began in July last year.

Although Daim resigned from the Cabinet in March 1991 after seven years as Finance Minister, during which he was credited for taking the country out of the recession in the early 1980's, he has actually always had one foot in the nation's economic management.

After leaving the Cabinet, he was made Economic Adviser to the Malaysian government, a position in which his comments about the economy were usually seen as "market moving", especially for the stock market during the period prior to the economic crisis that began last July.

For example, in January 1993, Daim's advice to stock market investors to "get out before it's too late", apparently referring to the then over-speculations prevailing in Kuala Lumpur Stock Exchange, caused a market crash.

Shares worth billions of ringgit were wiped out overnight and it was said that the KLSE has never recovered from it since.

Besides being Economic Adviser, Daim has also be actively involved in the development of the East Asean Growth Area (EAGA), aimed at spurring the development of the backward parts of Brunei, Indonesian Kalimantan, Sabah and Sarawak in Malaysia and the Southern Philippines through the concept of Growth Triangles.

Daim also spearheads the economic development of two islands in the country -- Langkawi and Labuan -- where he is chairman of the Langkawi Development Authority and Labuan Development Authority.

But it was his appointment as Executive Director of the National Economic Action Council (NEAC), a high-powered body specifically formed to tackle the economic crisis last December that has aroused much interest both at home and abroad.

The NEAC, with the prime minister and deputy prime minister as chairman and deputy chairman, was set up to provide inputs from a cross-section of society on how best to deal with the economic crisis caused mainly by speculative attacks on the region's currencies. It has led to the Malaysian ringgit losing over 40 per cent of its value against the US dollar and stock prices many times even worse.

The NEAC is like having a second opinion to measures normally prescribed by government agencies like the Finance Ministry and the Bank Negara.

A former Bank Negara adviser when asked to comment on Daim's latest appointment described it as " a very important position in the light of the current economic situation".

Speaking on condition of anonymity, he likened Daim in his new job as a

coordinating minister of both finance and trade portfolios, given the broad-based nature of the term "economic matters" as mentioned in the Prime Minister's Office statement.

" In a sense, he is the coordinating minister between finance and trade, both domestic trade and international trade," he told Bernama.

He said the appointment showed that Prime Minister Datuk Seri Dr Mahathir Mohamad wants to utilise as many people as possible with the required experience to overcome the country's economic woes.

" Whoever occupies this new position would look forward to getting out of the recessionary cycle. He is basically the minister of economy. And to use the Indonesian concept, he is the coordinating minister between finance and trade," he said.

Asked to comment on the appointment from the political aspect, given the fact that it would be unavoidable now for Daim, in his position, not to "overlap" the finance portfolio held by Datuk Seri Anwar Ibrahim and the trade portfolio under Datuk Seri Rafidah Aziz (the Minister of International Trade and Industry), the ex-central bank adviser said: " Politically, it may somewhat be difficult for the two ministers to share the realm of economy with another person."

" But I feel that in the national interest, everyone should accept this and work together for the common purpose of overcoming the economic problems," he added.

In a book on Daim published last year entitled "Daim Yang Diam" (literally, Daim the Quiet One), writer Fatini Yaacob asked him whether he still wanted to return to the Cabinet.

" I do not see myself rejoining the Cabinet. When I was made Finance Minister, I presented seven national budgets. The Finance Minister is the most powerful post after the Prime Minister. I had a lot of power before. I was also close to the prime minister. I have tasted power", he replied.

" I enjoyed it until I quit. I have also served the nation for seven years. I have done my best. Unless I aim to be the prime minister, then I might rejoin the Cabinet. But then I have no ambitions to be one," he added.

But as it turned out, Daim is destined to return and today's appointment has once again thrust him into the high-profile world which he has never got out of.

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