

07 SEP 1998

LEAD Minister/Governor

MUSTAPA MADE SECOND FINANCE MINISTER, PM REMAINS IN CHARGE

KUALA LUMPUR, Sept 7 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today appointed a second finance minister and named a new Bank Negara governor, quickly filling a vacuum following weeks of tumultuous developments in the country's political and economic landscape.

A statement by the Prime Minister's Department said Dr Mahathir will be the first Finance Minister while Datuk Mustapa Mohamed has been appointed second Finance Minister.

Mustapa will remain Minister of Entrepreneur Development besides taking on his new responsibility. Dr Mahathir is also Home Affairs Minister.

The appointment of first and second ministers for one portfolio is something new to Malaysia. The changes are effective today.

In a separate statement, the Finance Ministry announced the appointment of Economic Planning Unit Director-General of the Prime Minister's Department, Tan Sri Ali Abul Hassan Sulaiman, as the new governor of the central bank.

Assistant governor Datuk Dr Zeti Akhtar Aziz, who has been the acting governor since the resignation of Tan Sri Ahmad Mohamed Don on Sept 1, was named deputy governor.

The finance minister's post fell vacant following the sacking of Deputy Prime Minister Datuk Seri Anwar Ibrahim, who also held the portfolio, from the Cabinet last Wednesday following weeks of intense speculation of his impending resignation.

Anwar has been accused of a wide range of misdemeanours, ranging from sexual improprieties to leaking state secrets, all of which he has strenuously denied.

The 51-year old former-student leader-turned-politician was expelled from Umno, of which he was deputy president, a day after his Cabinet sacking.

His removal from the Cabinet was preceded by the resignations of Ahmad and deputy governor Datuk Fong Weng Phak with effect from Sept 1.

Anwar had backed the high interest rates and tight credit policy imposed by the central bank under Ahmad. The policy however foundered when the country registered two consecutive quarters of negative growth this year.

Dr Mahathir, who was against such IMF-like measures, took everyone by surprise when he announced on Sept 1 exchange controls and other drastic measures to bring interest rates down and make more funds available to generate economic activities.

Dr Mahathir on Thursday announced that he was acting finance minister pending the appointment of a new one.

Mustapa graduated with a first class honours degree in economics from Melbourne University and holds a master's degree in development economics from Boston University.

Born in 1950 in Bachok, Kelantan, Mustapa received his secondary education at the Sultan Ismail College in Kota Bharu.

It's a homecoming of sorts for Mustapa who started his career at the Treasury as an assistant secretary in 1974.

After six years at the Treasury, he joined the National Institute of Public Administration as a lecturer and in 1984, was picked by the then Finance Minister Tun Daim Zainuddin as his special assistant.

Mustapa's political career took off when he was made Daim's political

secretary the same year and in March 1991, he was appointed a senator and made parliamentary secretary to the Finance Ministry.

In January 1994, Mustapa was promoted to Deputy Minister of Finance.

He contested and won the Jeli parliamentary seat in the April 1995 general election and was subsequently appointed Minister of Entrepreneur Development.

Mustapa polled the third highest number of votes for a seat in the Umno Supreme Council in the last party elections in 1996.

He is a member of the National Economic Action Council (NEAC) tasked with working out strategies to speed up the country's economic recovery.

Mustapa is married to Datin Khamarzan Ahmad Meah and they have four children -- two daughters and two sons.

Pulau Pinang-born Ali Abul Hassan, 57, was recently appointed Secretary to the NEAC.

He graduated with an honours degree in economics from the University of Malaya and holds a Master's degree in Economic Development from the Wisconsin University in the United States.

His public service career has largely been with the Treasury, where he held the posts of Secretary of the Economic Division and Head of the Tax Division, and the EPU.

He had participated in and later led a team on all of Malaysia's Five-Year Plans which included the two long-term Outline Perspective Plans and two Industrial Master Plans.

Ali Abul Hassan has overseen the transformation of the country's economy from an agricultural to an industrial base, and the diversification of traditional industries to include micro-processors, semi-conductors and other hi-tech products.

The EPU, led by him, could be credited with nurturing most of the major national projects, including the ultra-modern KL International Airport, the capital's mass transit system and the North-South Highway.

Dr Zeti's promotion as deputy governor makes her the first woman to hold the no.2 slot at the central bank.

She was promoted adviser, responsible for managing the Economics Department, in 1991 and later made one of the four assistant governors.

She graduated with honours in economics from the University of Malaya in 1970 and later obtained her Master's and PhD in monetary economics from the University of Pennsylvania in the US.

She is the daughter of Royal Professor Ungku Aziz.

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