

08/09/1998

Mustapa is Second Finance Minister (HL)

KUALA LUMPUR, Mon. - Datuk Mustapa Mohamed was appointed the Second Finance Minister with Prime Minister Datuk Seri Dr Mahathir Mohamad as the first, the Prime Minister's Department announced today.

The department's statement said Mustapa would remain as Entrepreneur Development Minister. The appointment takes effect today.

The post of Finance Minister fell vacant following the removal on Wednesday of Datuk Seri Anwar Ibrahim, who was also Deputy Prime Minister.

Dr Mahathir was acting Finance Minister pending this appointment. This is the first time a First and Second Finance Minister have been appointed in Malaysia.

Earlier this morning, Director-General of the Economic Planning Unit in the Prime Minister's Department Tan Sri Ali Abul Hassan Sulaiman was confirmed as the new Governor of Bank Negara while Acting Governor Datuk Dr Zeti Akhtar Aziz was made Deputy Governor.

Later today, Bank Negara also announced the appointment of Abrar Corporation Bhd executive vice-chairman Datuk Nor Mohamed Yakcop as special adviser. His role is to advise the Governor on the monetary and financial policies.

Ali Abul Hassan replaces Tan Sri Ahmad Mohamed Don while Zeti takes over from Datuk Fong Weng Phak. Both Ahmad and Fong resigned on Sept 1. Zeti has been Acting Governor since their resignations.

Mustapa, when asked to comment on his appointment, said it came as a "surprise" but was quick to add that he would discharge his responsibilities to help Dr Mahathir. (See Page 2.)

Mustapa had a long association with the Finance Ministry before being appointed Entrepreneur Development Minister after the 1995 general election.

He has strong credentials to assist Dr Mahathir in the Finance Ministry, having had tutelage in national financial administration as special officer and political secretary to Tun Daim Zainuddin who was then Finance Minister.

He was with Daim from 1984 to 1991, which included the recession year of 1985 when the country's growth shrunk by one per cent.

He was appointed Deputy Finance Minister in 1994 when Anwar was Finance Minister. He is also currently a member of the National Economic Action Council entrusted with speeding up the country's recovery.

A Colombo Plan scholar, Mustapa graduated with a first class honours degree in economics from Melbourne University and holds a Masters degree in economic development from the Boston University under the Hubert Humphrey Fellowship.

Born in 1951 in Bachok, Kelantan, Mustapa received his secondary education at the Sultan Ismail College before pursuing tertiary education in Australia. Upon his return, he started his career as an administrative and diplomatic officer in the Finance Ministry from 1974 to 1980.

In March 1991, he was appointed a Senator and made Parliamentary Secretary to the Finance Ministry. From 1982 to 1984, he was a lecturer at the National Institute of Public Administration.

Ali Abul Hassan, who has headed the EPU since 1991, has overseen the transformation of the country's economy from an agricultural to industrial base, and diversification of traditional industries. He has also overseen Malaysia's privatisation of public utilities, the biggest being

electricity and telecommunications.

In an interview with Bernama today, he pledged to ensure a proactive and business-friendly monetary policy to encourage economic growth.

His stance, which the business community should welcome, hints that the central bank will continue to focus on an easier monetary policy after the tight policy of the past year had failed to revive the economy.

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