

27/03/1999

Malaysia more stable, predictable, says US bank

ECONOMIC predictability and political stability, two key issues which are of concern to investors, have improved in Malaysia, US investment bank Goldman Sachs said.

Goldman Sachs, which is engaged in international investment banking and securities, has also predicted that Malaysia would achieve an economic growth of two per cent this year.

The forecast is better than the one per cent given by the Government earlier.

It said the country's better economic prospects were helped by the aggressive treatment of bank restructuring with little political interference.

"Meanwhile, the struggle in Umno (the dominant party in the Barisan Nasional ruling coalition) is cooling," it said in a statement released by the National Economic Action Council in Kuala Lumpur yesterday.

It added that the next political step would be the country's general election and the timing would depend on economic recovery and Prime Minister Datuk Seri Dr Mahathir Mohamad's tour of the country to assess the situation.

Goldman Sachs said the purchase/management of more than RM40 billion in non-performing loans by Pengurusan Danaharta Nasional Bhd and the Corporate Debt Restructuring Committee coupled with more than RM11 billion in capital injection from Danamodal Nasional Bhd were moving the banking and corporate restructuring process forward.

(END)