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DATA-CONSUMER
TRADE DATA PROVIDES OPTIMISTIC OUTLOOK

KUALA LUMPUR, June 7 (Bernama) -- The positive growth in imports in both ringgit and US dollar terms, is in line with the recent Malaysia Institute of Economic Research Consumer Sentiment (MIER) survey, which indicated consumers were slowly turning optimistic as inflationary pressures and interest rates fell, said SG Securities Research.

The growth was posted despite some worries over financial income and employment outlook, SG Securities Research said in a recent economic analysis report.

Exports are also looking good in US dollar terms and this heralds strong production, especially electronics, it added.

The April's consumption goods grew 2.53 percent year-on-year, March 98 (1.66 percent and April 98 (3.4) percent.

SG Research said higher imports indicate that producers are replenishing stocks for production.

It pointed to the figures which showed imports of major electronics and electrical products which were on the uptrend with the imports of thermionic valves and tubes up 22.7 percent year-on-year and 6.8 percent month-on-month in the US dollar terms, March (4.6) percent year-on-year and (2.7) percent month-on-month.

SG Research said the Federation of Malaysian Manufacturers survey also revealed that general manufacturing industry and company profitability were expected to continue to improve in the second quarter of 1999 with a third of the respondents anticipating higher domestic and foreign orders.

It saw an improvement in the Gross Domestic Products figure.

It said the current economic environment of low inflation and interest rates, improved export and import growth numbers, higher manufacturing production while higher loan disbursements should allow second quarter Gross Domestic Products (GDP) to grow by 2-3 percent, it added.

The Prime Minister Datuk Seri Dr Mahathir Mohamed had announced that the overall first quarter GDP contracted 1.5 percent, which is an improvement compared with a contraction of 8.1 percent in the fourth quarter of 1998.

The official figures on the first quarter GDP will be released at end-June, SG Research said. -- BERNAMA

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