

08 JAN 2000

Daim-Economy

DAIM CONFIDENT OF A BETTER ECONOMIC SHOWING THIS YEAR

PUTRAJAYA, Jan 8 (Bernama) -- Finance Minister Tun Daim Zainuddin expects the country's economy to improve further this year as compared to last year.

"Last year, the economy was better than we had expected. We hope it will further improve this year," he told reporters at the Hari Raya open house of Prime Minister Datuk Seri Dr Mahathir Mohamad at his official residence "Sri Perdana" here today.

Daim said the government was also monitoring the economic situation and the performance of foreign markets particularly of the United States and Japan.

"At the moment, there seemed to be not much problems but we must keep tab of what's happening in the US and Japan.

"We cannot predict what will happen in foreign countries," he said.

There have been worries about US interest rate hikes and the stock market falls.

Daim said Malaysia was able to face whatever happens in foreign countries.

"What's important is the people must be united and work hard," he said.

He said the government would always be cautious of the economic developments in other countries.

Asked if it would be smooth sailing for the Malaysian economy in the next five years, Daim said it was too long to predict.

"Sometimes, we forecast for five years, the unexpected will happen," he said.

After a lower contraction of 1.3 per cent in the first quarter of last year, the country's economy grew for the first time in the second quarter by 4.1 per cent since the financial crisis struck in July 1997.

The Gross Domestic Product (GDP) expanded by 8.1 per cent between July and September last year, paving the way for further improvement in the economy for the last quarter of 1999.

The Rating Agency of Malaysia (RAM) had predicted that Malaysia's GDP growth for the whole of 1999 would be 4.6 per cent while the Treasury's forecast was 4.3 per cent.

RAM also forecast that the Malaysian economy would grow by 6.1 per cent this year against the 7.5 per cent contraction in 1998 while the Treasury's prediction is for the economy to expand by five per cent.

-- BERNAMA

ES TS