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GROWTH-POTENTIAL

MALAYSIA'S ECONOMY ABLE TO GROW AT 7 PCT, SAYS MUSTAPA

KUALA LUMPUR, April 22 (Bernama) -- Malaysia's economy, which has recovered since the second half of last year, is currently growing below its actual potential, said economic adviser to the Ministry of Finance Datuk Mustapa Mohamed today.

"We have a long term potential of growing at 7.0 percent a year. Our task is to work harder to realise this potential," he said at the official launch of a seminar on "Technology Industry and Syariah Indices" organised by Research Institute of Investment Analysts Malaysia (RIIAM) and MTDC Capital & Technology Research Sdn Bhd here.

In the 2000 Budget which was re-tabled last February, Malaysia's gross domestic product (GDP) has been projected to expand by 5.8 percent this year, an upward target from 5.0 percent set previously.

The country recorded a 5.4 percent GDP growth last year, against an earlier estimation of 4.3 percent, after contracting 7.5 percent in 1998.

"The 5.8 percent growth estimated for this year is well below our actual capacity," Mustapa said, adding that the government has worked real hard towards national economic betterment by implementing various measures and regulations.

However, he said that the government would not succeed in the endeavour without cooperation and support from the private sector.

The country's premier economic think tank, Malaysian Institute of Economic Research (MIER), has forecast the GDP growth at 6.0 percent this, with 5.6 percent attributed to the growth in domestic demand.

The remaining 0.4 percent would come from net exports, MIER said in its report, "Malaysia Economic Outlook 2000," released earlier this week.

Prime Minister Datuk Seri Dr Mahathir Mohamad, in his reaction to the re-tabled 2000 Budget in February, has expressed confidence that Malaysia could return to the 8.0 percent GDP growth rates recorded during the pre economic-crisis days. -- BERNAMA

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