

Ex-central bank ^{SUN, 17 APR 2001} governor named PM's adviser

KUALA LUMPUR: Former central bank governor Tan Sri Ali Abul Hassan Sulaiman has been appointed adviser to Prime Minister Datuk Seri Dr Mahathir Mohamad as the government considers measures to help stem a slowdown in the economy.

"I started work today," said Ali Abul Hassan, when contacted at his home. "I will look into quite a number of things, it's up to the prime minister. My appointment is on a year-to-year basis."

Ali Abul Hassan's appointment is the second such advisory position created by the prime minister. Last May, Mahathir named ex-central banker Nor Mohamed Yakcop as his adviser on finance-related matters.

Sixty-year-old Ali Abul Hassan, a staunch Mahathir ally, was appointed Bank Negara governor in September 1998, after Mahathir sacked his former deputy Datuk Seri Anwar Ibrahim and imposed capital controls to shield the country from currency speculators.

Ali Abul Hassan replaced Ahmad Mohamed Don, who had differences with Mahathir on interest rate policy, and immediately cut interest rates to their lowest in a decade to help spur lending to pull the economy out of its worst recession in 40 years.

With the economy slowing down and the ringgit under pressure to depreciate, "Mahathir appears to be assembling his crisis team," said Song Seng Wun, regional economist at G.K. Goh Research in Singapore.

Ali Abul Hassan, who quit Bank Negara on May 1 last year, served as director-general of the Economic Planning Unit in the Prime Minister's Department for seven years until 1998. He rejected an offer to be chairman of Malaysia Mining Corp.

The economy is expected to slow to between 5% and 6% this year from 8.5% last year as demand from the US and Japan for electronic goods falls. - Bloomberg