

'We could still achieve two to three pc growth'

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MALAYSIA could still achieve growth of two to three per cent for the year despite the many uncertainties in the world economy, in particular the downturn in the United States.

Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday positive growth in gross domestic product was possible, noting that Malaysia had managed to avoid recession so far.

Bank Negara announced yesterday the country's second quarter growth was 0.5 per cent, compared with 3.1 per cent in the first quarter.

"But it's still positive. We have not gone into technical recession even. If it had been zero or minus, it would be a different matter," Dr Mahathir said after launching Umno Cheras' education foundation.

He added that Malaysia was obviously not going to achieve the seven per cent growth which it would like, and it might not even hit the five per cent target set for the year.

"I think it will be lower than five (per cent), but it will still be positive. We have to work very hard."

The Prime Minister said Malaysia was facing many problems in the electronics sector because the products were mainly exported to the US. The US economic downturn, he added, was far more serious and prolonged than predicted.