

# Stress and strains of Budget 2002

MSB - 2001 2001

## Need to face up to global realities

BEFORE the Sept 11 terrorist attacks on the United States' twin trade towers and the Pentagon, the US and world economies were slowing down, but they were expected to recover by early 2002. However, after the attacks, the world economic recovery is going to take much longer to realise.

This unbelievable act of international terrorism has been rightly condemned all round the world and the perpetrators will be hunted down. Indeed there is now a real danger that the American preoccupation with a vengeful war will not only drag the US economy but the whole world along with it into recession!

Malaysia's response to the impending economic crisis has been impressive and quick. The mini expenditure Budget announced by Prime Minister and Finance Minister Datuk Seri Dr Mahathir on Sept 25 is therefore most welcome.

The additional RM4.3 billion could slow down, if not arrest, Malaysia's possible slide towards recession. Consequently, the Malaysian economy might just be able to stay in the positive zone without sinking into recession.

Nevertheless Budget 2002, to be tabled on Oct 19, will still have to take into account the severe consequences of the Sept 11 economic shock and the grave developments that could arise from any ill-advised aggression against whole countries, just to smoke out the few terrorists responsible for the tragic attacks on the US bastions of trade and defence.

### Economy

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