

02 JUN 2001
Daim-Resignation
GUESSING GAME ENDS

KUALA LUMPUR, June 2 (Bernama) -- Tun Daim Zainuddin, the man who was brought in by Datuk Seri Dr Mahathir Mohamad into the government to steer the economy away from trouble amidst the regional financial crisis in 1998, has left the Cabinet for the second time.

Daim tended his resignation yesterday after becoming finance minister again in January 1999 when the prime minister sought his services. He was also finance minister from June 1984 to March 1991.

Over the past few days, there had been speculation whether Daim would leave the Cabinet or stay on.

Daim, who has been on leave for two months, has decided to opt out when he sent in his resignation letter yesterday.

Even as late as yesterday, some of his fellow colleagues even believed that Daim would continue to serve in the government.

Three days ago, even Daim himself said he was undecided because there was still a lot of work to be done and work was never done.

But Daim, who did say when he became finance minister for the second time two years back that he would leave the Cabinet when the economy improved, also said three days ago that he did not say anything about resigning.

The Malaysian economy, which contracted sharply by 7.4 per cent in 1998, bounced back in 1999 with a growth of 5.8 per cent and 8.5 per cent last year. This year's growth for Malaysia is forecast at between 5.0 and 6.0 per cent in view of the US economic downturn.

Like the saying of "no smoke without fire", there has been much talk about Daim calling it a day as finance minister since he went on leave in early April. And he did yesterday.

There was mixed reaction to his departure. Some businessmen said the government had lost a good minister with a good grasp of business and economic issues.

"We certainly benefited from his no-nonsense approach during the annual Budget dialogues," said one of them who spoke on condition of anonymity. Budget dialogues are held to obtain feedback from the business community, government agencies, social bodies and the academia about three to four months before the national budget is drawn up.

Another entrepreneur said Daim's strong point was that he understood business well and this worked in the government's favour.

"The stock market might go up," said one stockbroking source in reference to the equity market's sensitivity to such events.

Asked why he felt that way, he said Daim usually has a strong influence on the stock market.

Another said there could be a re-rating of some companies following Daim's departure.

Although Dr Mahathir said Daim did not say why he had decided to resign, there had been speculation that both did not see eye-to-eye on certain policies. Both have denied any rift between them.

Daim, who last represented Malaysia as finance minister at an international gathering at the Asian Development Bank in Hawaii about a month ago, is often credited for having lifted Malaysia out of the doldrums when recession hit the country in the mid-eighties and two years ago.

Although Dr Mahathir did not indicate who would take over, a few names had been bandied about. They include a Cabinet minister, a Menteri Besar

and a former Bank Negara official.

At present, Datuk Nazri Aziz, the entrepreneur development minister, is acting finance minister.

-- BERNAMA

SHY DVS