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PM-GDP

MAHATHIR: MSIA HAS NOT EVEN GONE INTO TECHNICAL RECESSION

KUALA LUMPUR, Aug 23 (Bernama) -- The Prime Minister today dashed pessimistic views on the country's economy, saying that the Malaysian economy had not even gone into technical recession.

Datuk Seri Dr Mahathir Mohamad said this when asked to comment on the country's gross domestic product (GDP) growth released by Bank Negara Malaysia (BNM) today.

"GDP growth is still positive. We have not gone into technical recession even. In the first quarter, we remained positive. This time it is 0.5 percent.

"If it had been zero or below, then it is a different matter," he told reporters after the launch of the Cheras Education Fund at the Stadium Badminton here today.

BNM said today that the country's GDP grew 0.5 percent in the second quarter period this year versus 8.4 percent in the same period 2000.

The first, third and fourth quarter of last year posted growth of 11.7 percent, 7.8 percent and 6.3 percent respectively.

The first quarter of this year registered GDP growth of 3.1 percent.

Dr Mahathir also said that the country's electronic sector was affected in the second quarter period as it depended on exports to the US.

"US is in recession and many other countries are in recession. But at least we have avoided the recession," he said.

"In the first half of the year, it is 1.7 percent growth, so we are not in recession," he added.

Obviously we are not going to achieve the 7.0 percent full year growth, he said.

The Prime Minister further said: "We may not even achieve 5.0 percent growth. Maybe we will achieve a figure lower than that but I still think it would be positive."

He said Malaysia would work extra hard in the third and fourth quarter period of this year in view of the gravity pull that the US economic downturn has created.

The severity of the US economic slowdown was far more serious and prolonged than originally predicted, he added. -- BERNAMA

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