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PM on outlook for second quarter GDP growth

GROSS domestic product growth for the second quarter will not be as good as expected and would be quite similar to the 3.2 per cent posted for the first quarter, Datuk Seri Dr Mahathir Mohamad said.

The Prime Minister attributed the lower growth to the slowdown in the US economy. "The slowdown is not only affecting our trade with the US but also with some other countries which are equally affected," he said after opening the 20th Al Baraka Symposium for the Islamic economies in Kuala Lumpur yesterday.

Dr Mahathir said when other countries were affected by the slowdown, it would have an impact on Malaysia.

"So, we have a double effect, from the US and from countries dependent on the US economy. This has put pressure on our economy, causing it not to grow as we expected."

On talk that a second finance minister would be appointed to handle Islamic banking, Dr Mahathir, who has assumed the finance portfolio following Tun Daim Zainuddin's resignation on June 1, said: "We have to think very carefully. Appointing one minister just for Islamic banking, I think is not giving him enough work.

"I think the capacity is greater. We can have a second finance minister but not necessarily for Islamic banking. However, at the moment I have not decided."

When asked on sovereign bonds to be issued by the Government, he quipped: "I think it is better for you to ask those who know about it. I am not very clever about this thing. I am a very new and rookie finance minister."

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