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Sarawak-Slowdown

SARAWAK CONFIDENT EIGHT PCT GDP GROWTH CAN BE MAINTAINED

KUCHING, March 28 (Bernama) -- Sarawak is confident it will maintain its Gross Domestic Product (GDP) growth estimate of eight per cent for this year as several major economic activities are underway to sustain the momentum, Deputy Chief Minister Tan Sri Dr George Chan said today.

He said, at present, many infrastructural projects were being carried out including the RM9 billion Bakun hydroelectric power dam in Belaga, the Borneo Pulp and Paper mill and the Liquefied Natural Gas Tiga projects, both in Bintulu, as well as the construction of coastal roads.

"As such, the US economic slowdown will not have an adverse impact on the state's economy as United States bound exports only accounted for three per cent of the state's total foreign exports," he said.

He however told reporters here after opening an international conference on "Reduced Impact Logging", organised by the Sarawak Timber Association, that exports to the United States made up 25 per cent of Malaysia's total foreign exports.

Chan, who is also State Finance and Public Utilities Minister, was asked to comment on the Federal government's move to revise downwards the national GDP forecast to between four and five per cent as part of pre-emptive measures to cushion the onslaught of the US economic slowdown.

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said the government would review its official GDP estimate of seven per cent for this year since the impact was expected to be much greater than anticipated.

He said consumption would receive a boost with the strengthening of domestic demand to drive growth.

"It is a wise move but the direct impact of the slowdown will not be as obvious as Sarawak is already prepared for it", he added.

The Deputy Chief Minister also said the state had taken similar measures in previous economic recessions.

Under the 2001 budget, an additional investment of RM128 million was injected into the Liquefied Natural Gas Tiga project which was expected to rake in future returns to the state.

Various industrial estate development projects particularly in Kuala Baram, Demak Laut and Sama Jaya here, was also being implemented this year, said Chan, who is also Industrial Development Minister.

-- BERNAMA

CJ DVS