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`Robust spending will uphold economy in 2003'

ROBUST consumer spending will uphold the Malaysian economy going into next year, Second Finance Minister Datuk Dr Jamaludin Jarjis says.

Responding to questions on whether the expected deceleration in the fourth quarter will extend into 2003, Jamaludin said positive economic indicators show that the Malaysian economy will most likely reach the 4 and 6 per cent growth targeted by the Government for 2002 and 2003, respectively.

"As Prime Minister (Datuk Seri Dr Mahathir Mohamad) announced recently, and confirmed by Bank Negara (Malaysia), we still have strong growth with our strong consumer demand," he told reporters at a Hari Raya gathering with the Employees Provident Fund's (EPF) board members and staff in Kuala Lumpur yesterday.

"We have strong indicators and strong signals from the market. I think we should be looking forward to strong forecasts for next year," he said.

Last week, think-tank Malaysia Institute of Economic Research said that the country's economy may see a slight deceleration in the fourth quarter of this year to 5.4 per cent from 5.6 per cent in the preceding three months. This follows sluggish growth in US, Japan and Europe, which in turns effect exports and manufacturing sector.

Jamaludin had earlier said that the Government will come up with measures to counter the economic impact should a war break out in West Asia, although he provided no details.

"The National Economic Action Council meets regularly to monitor the economy, and the Prime Minister will make the announcement (regarding the measures) next year," said Jamaludin.

Meanwhile, he reiterated that the Government has strong confidence in the board and management of EPF, which, he said, has grown to the size of the California Public Employees' Retirement Systems. As at June this year, the EPF had RM186.8 billion in its coffers.