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Keep those cash registers ringing

GO ahead, Malaysia, take a bow and a pat on the back - that's if anyone has their hands free of shopping bags, cellphones and steering wheels these days. As noted by Prime Minister Datuk Seri Dr Mahathir Mohamad, if there's a world crisis going on, with civilisations clashing, travel warnings abounding and terrorist cells lurking in the undergrowth all around, it hasn't stopped the Malaysian economy from climbing out of despond, away from the brink and up to a high of 5.6 per cent growth in the Gross Domestic Product in the third quarter of 2002. There are times to salute profligate consumption, and with consumer spending having risen 21.7 per cent in the past quarter to lead the honour-roll of indices, this is one of them.

But the report card on the economy issued by Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz is full of pleasant surprises. In a world of ostensibly shaky external demand, uncertainly awaiting the findings of the UN arms inspection team in Iraq, our exports are up, export-oriented industry is operating at 84 per cent capacity, and the electronics sector is out of its annus moribundus.

Manufacturing - one-third of the economy - grew 7.3 per cent in the third quarter, a full two percentage points over the second. The principal drivers have been machinery, metal products and electronics, which have turned from sea-anchor into sail. Commodity prices have been strong, and agriculture is up 5.4 per cent. Those war jitters in the Middle East, billed for bearishness, have instead boosted oil prices and raised the growth rate in the mining sector to 7.3 per cent.

The only sector to contract has been construction - and that, as Zeti noted, was due to "specific factors", mainly a drastically reduced illegal immigrant labour force, and not to any real crisis of confidence. Underscoring the point is the welcome news of capital investment growing 2.6 per cent after four consecutively shrinking quarters. It would be satisfying to cock a snook and blow a raspberry at the doomsayers - except that, this year, there haven't really been any. Within and without, the prognosis for the Malaysian economy has been upbeat, and the latest figures have apparently justified even the most optimistic of them.

So let's just look forward to the final-quarter numbers for 2002, what with this being the festive season for giving and receiving, with Deepavali done, Hari Raya just ahead and Christmas coming. (Yes, even for this Scrooge of a KLCI.)