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Resilient even in tough times

DESPITE continuing uncertainties in the external environment, now heightened by the prospect of an attack on Iraq, Malaysia continues to show its economic resilience, as evidenced by Dr Mahathir's Budget speech on Friday.

An expected growth rate of at least four per cent this year, and 6-6.5 per cent in 2003, is remarkable by any measure in the situation of the world today.

In fact, on Budget day itself, the chief economist of a leading international bank told a meeting of the Malaysian-British Business Council in London he had nothing but admiration for the way the economy has performed under sound management in difficult circumstances.

Despite the challenges of global economic slowdown, strong regional competition from China, local financial restructuring and fiscal pressures, the economy continues to perform well with domestically-led growth without the Budget deficit getting out of control.

As the Budget strategy lays out, we must push on with confident domestic, private-sector driven growth, and look to take advantage of all opportunities in the external economy.

In the latter regard, we should not be weighed down by the thought of China as a competitive threat, but think of the market opportunity China offers.

Actually the figures show that China is leading Malaysian export growth.

Meanwhile, we should work hard on restructuring the economy and moving into higher value-added and less capital-intensive industries, even if our wage costs are still relatively competitive.