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Economy on right track

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INTERNATIONAL Trade and Industry Minister Datuk Seri Rafidah Aziz said Malaysia's economy is on the right track in view of the promising 4 per cent growth in the first quarter of this year.

She said the first quarter was the most difficult with global uncertainty following the Iraq invasion and the outbreak of the Severe Acute Respiratory Syndrome (SARS).

"The 4 per cent growth as announced by Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar Aziz means we will be on target at the end of the fourth quarter.

"We have already implemented various measures in the second quarter and for the third quarter, a stimulus package was announced by the Prime Minister (Datuk Seri Dr Mahathir Mohamad) to further boost the economy.

"I am confident we will be able to achieve the 4.5 per cent projected growth at the end of the year," the minister told reporters after opening a new Sekolah Kebangsaan Datin Khadijah Old Girls' Association building near Kuala Kangsar recently.

Rafidah said Malaysia's economic strength relied on domestic demand, mainly the manufacturing and services sectors, and as such a major portion of the new economic package was geared towards stimulating the various areas in these sectors.

"With the various incentives and flexibilities introduced I think we will be able to further strengthen our economic standing even though the external factors are not that encouraging.

"As most of the incentives have been recommended by the private sector this should augur well for the various industries," she said.

On Wednesday, Zeti said Malaysia's economy grew by 4 per cent in the first quarter despite the successive threats of war and SARS.

The minister also said that many sectors of the local economy, such as manufacturing, agriculture and services have remained strong and exports and trades have continued to grow at higher levels than earlier projected.