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GDP growth for the year likely to be revised (HL)

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THE deadly flu-like virus and the war in Iraq may result in a revision of

Malaysia's gross domestic product (GDP) growth.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who is expected to announce a stimulus package to help businesses affected by the war and Severe Acute Respiratory Syndrome (SARS) outbreak, said it would be impossible to say Malaysia would not be affected.

"Tourism is the third biggest foreign exchange earner. Now hotel occupancy is down, although not as bad as other countries. So it is going to affect growth, we have to accept that," he told reporters in Bintulu.

Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar Aziz said possible revisions in the upcoming figures will depend on the second quarter GDP outlook.

The central bank is expected to announce the first quarter GDP results by end of this month. Malaysia registered a 4.2 per cent growth last year, and projected a 4.5 per cent growth this year.

"We are not in the habit of revising numbers on a regular basis. It's just twice a year... one for annual report and one during the Budget, and in between, we will have an idea that perhaps it will be lower or higher," she told reporters in Kuala Lumpur after launching the Promotion of Electronic Banking and Payments organised by the Association of Banks in Malaysia yesterday.

Meanwhile, International Trade and Industry Minister Datuk Seri Rafidah Aziz said Malaysia's export performance this year has weathered the negative impact of SARS and the war.

She said people are not willing to travel abroad to do deals but a lot of businesses have resorted to video-conferencing to do business electronically.

Rafidah said physical delivery of goods has not been affected by SARS and is almost back to normal such as that during the pre-Iraq war period.

"We don't know yet whether export performance will be higher, lower or match last year's because it is not something that we can actually forecast and it needs a lot of efforts to work on," she said.

Rafidah said Malaysia's exports to West Asia, Europe and parts of Asia have been affected slightly due to the war in Iraq. To counter this, more efforts are being done to market Malaysia's products in the Association of South-East Asian Nations (Asean) region.

"Malaysia's products have a market in Asean and so far, the region has emerged as our single biggest market this year," said Rafidah.

Malaysia has been consistently ranked as the world's top 20 trading

nations for the past several years and was ranked 18th last year.

Malaysia exported RM354.4 billion worth of products all over the world last year, of which 20.2 per cent made it to the US, which is worth RM71.5 billion.

Products come from a multitude of sectors which include electrical and electronic, chemical, crude petroleum, liquefied natural gas, palm oil and other vegetable oils, machinery appliances and parts, refined petroleum, wood products, optical and scientific equipment, textiles and clothing.