

RECOVERY OF THE MALAYSIAN ECONOMY Opportunities and Prospects

Programme

- 9.00 am : *Registration of Participants*
- 9.40 am : *Welcome remarks by YB Datuk Dr Fong Chan Onn,
Chairman of the MCA Economic Bureau*
- 9.50 am : *Keynote address by YB Dato Seri Dr Ling Liong Sik,
President of the MCA and Minister of Transport*
- 10.20 am : *TEA BREAK*
- 10.45 am : *OVERALL PERSPECTIVE OF THE CURRENT ECONOMIC SITUATION*
Datuk Paul Low, President of the Federation of Malaysian Manufacturers
- 11.10 am : *REVITALIZING THE ECONOMY: THE ROLE OF THE CENTRAL BANK*
Dato Dr Zeti Akhtar Aziz, Assistant Governor of Bank Negara Malaysia
- 11.35 am : *REVITALIZING THE ECONOMY: ROLE OF THE FINANCIAL SECTOR*
Tong Kooi Ong, CEO of Phileo Allied Berhad
- 12.00 pm : *FINANCIAL SOURCING UNDER CRISIS CONDITIONS*
Dr Neoh Soon Bin, Managing Director of Soon Soon Group of Companies
- 12.30 pm : *LUNCH*
- 1.15 pm : *INTERNATIONAL COMPARATIVE ADVANTAGE OF MALAYSIA*
Dr Zainal Aznam Yusuf, Deputy Director General (Economics) of
ISIS Malaysia
- 1.40 pm : *PROSPECTS IN THE AGRICULTURE SECTOR*
Datuk Lee Oi Hian, Executive Chairman of KL Kepong
- 2.05 pm : *REAL ESTATE DEVELOPMENT IN MALAYSIA -
SOME STRATEGIES TO FACE THE CRISIS: COSTS-MARKETS-CASHFLOWS*
Dato Patrick Lim, Executive Chairman & Director of Taman Equine (M) Sdn
Bhd
- 2.30 pm : *PANEL DISCUSSION:*
Chairman:
Datuk Francis Huang, Vice President of the
Federation of Malaysian Manufacturers
- 4.30 pm : *ENDS - TEA*

M
330.5959
MCA
f

The MCA Economic Bureau
wishes to thank
KURNIA INSURANS
for sponsoring this seminar

MCA ECONOMIC SEMINAR

RECOVERY *of the* **MALAYSIAN** **ECONOMY**

Opportunities and Prospects



Overall Perspective of the Current Economic Situation

By

Datuk Paul Low

President

Federation of Malaysian Manufacturers

0040-69400

APB 978623
NASKAH PEMULIHARAAN
PERPUSTAKAAN NEGARA MALAYSIA
0 4 JAN 2000

M Thursday, 27 August 1998
330.57159
9am - 4pm
MCA
f Auditorium, Wisma MCA,
Jalan Ampang, KL.



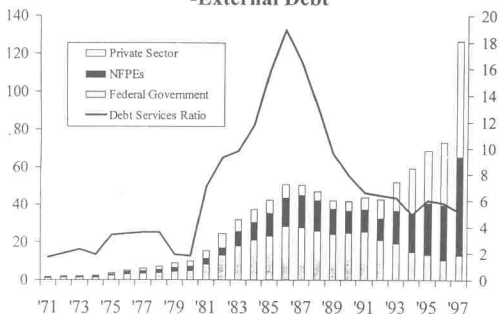
Real GDP Growth (%)

	2Q97	3Q97	4Q97	1Q98
Overall	8.4	7.4	6.9	-1.8
Agriculture	5.0	3.0	0.4	-2.8
Mininig	1.3	-0.1	7.7	2.0
Manufacturing	13.5	11.7	10.9	-2.4
Construction	12.0	11.5	6.0	-10.0
Services	8.1	8.1	6.4	2.9

1



Malaysian Economy -External Debt



- Total external debt of RM168.3 billion end-1997, of which RM127 billion are medium and long-term debt.
- Debt services ratio (which measures debt repayment as a proportion of gross exports) has been declining since 1986, reflecting a healthy trend.

2



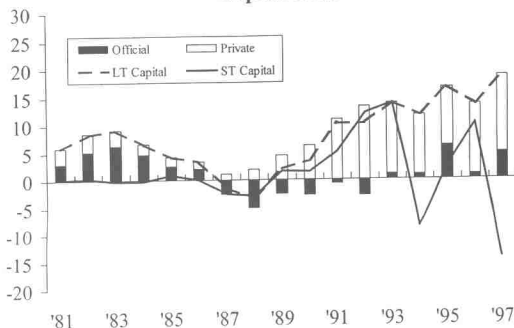
Savings-Investment Gap

	1993	1994	1995	1996	1997
	RM billion				
Public capital formation	23.7	24.8	27.8	27.9	32.2
Public savings	27.3	32.7	32.8	39.7	47.2
Surplus	3.6	7.9	4.9	11.8	15.0
Private capital formation	38.7	52.1	67.3	75.8	86.5
Private savings	27.2	29.4	40.6	51.8	58.1
Deficit	-11.5	-22.7	-26.7	-24.0	-28.4
Gross capital formation	62.5	76.9	95.1	103.8	118.7
as % of GNP	39.8	42.5	45.7	43.6	45.1
Gross national savings	54.5	62.1	73.3	91.5	105.3
as % of GNP	34.7	34.4	35.2	38.5	40.0
Balance on current account	-7.9	-14.8	-21.8	-12.2	-13.4
as % of GNP	-5.0	-8.2	-10.5	-5.1	-5.1

3



Malaysian Economy -Capital Flow

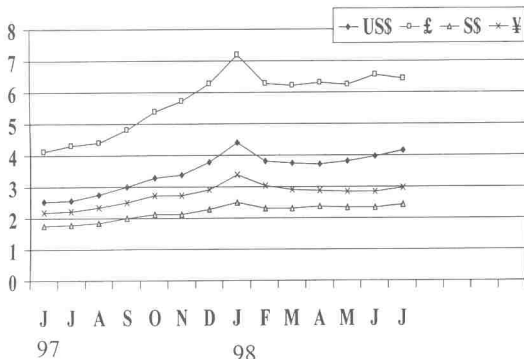


- Flight of RM14.2 billion short term capital in 1997.
- Supported by long term inflow of RM18.7 billion.



Exchange Rates

RM per unit/100units of foreign currency



5



Loans by Banking System

(Year-on-Year Growth %)

	Jun97	Sept97	Dec97	Mar98	May98	Jun98
Broad Property Sector	31.0	32.3	33.6	27.6	21.7	
Manufacturing	17.2	15.2	18.3	19.5	14.0	
Financing, insurance	53.6	38.2	10.5	-7.2	2.3	
Consumption credit	36.0	32.7	29.0	24.8	9.9	
Purchase of stocks/shares	23.4	25.8	59.1	33.1	7.0	
TOTAL	30.3	28.4	26.5	16.9	12.0	10.3

6