

Daim: Too early to say economy will start to recover in 2021

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Former finance minister Daim Zainuddin is not convinced that the country's economy will rebound next year, as claimed by Finance Minister Tengku Zafrul Tengku Abdul Aziz.

“It is very premature to claim that we will get out of the woods soon. The contraction of the economy will push back our progress by at least a couple of years,” Daim (above) was quoted as saying by The Malaysian Insight (TMI).

“We must remember that while the GDP (gross domestic product) recovered in 1999 after the (financial crisis) in 1998, it was not until 2002 that the economy went back to the same level prior to the crisis,” he said.

Daim then cited the Malaysian Trades Union Congress (MTUC), which rebutted Tengku Zafrul's claim that 70 percent of workers have returned to work as “not reflecting the bleak realities on the ground”.

“The current crisis is worse than what we have ever experienced, worse than the 2008 global financial crisis, the 1998 Asian financial crisis, and the 1930s Great Depression.

“It is also magnified by the US-China trade tensions. At the moment I don’t see an end in sight. That, essentially, is what we are facing now.

“Recent data shows that 41 million workers, or about one in four American workers, have applied for unemployment benefits since the start of the lockdown.

“This is without precedent in American history, worse than the Great Depression of the 1930s. China, another big economy, is not expected to do well this year and is probably in recession.

“This contrasts sharply with the 2008 crisis when China grew by nearly 10 percent despite the crisis. The Chinese government has decided to drop its growth target altogether this year,” Daim said.

On May 30, Tengku Zafrul (above) said the reopening of the economy during the conditional movement control order (MCO) saw 70 percent of the workforce returning to work in various sectors.

The banker-turned-politician said Malaysia would have the capacity to spur economic recovery in 2021.

The International Monetary Fund (IMF) has predicted that the world economy will contract by three percent this year, due to the pandemic.

Last month, Malaysian Employers Federation (MEF) executive director Shamsuddin Bardan estimated that more than two million employees would lose their jobs.

Daim also said that the political coup which ended the administration of Pakatan Harapan was plotted by those who wanted political power for their own personal gains.

'I don't think you can use race and religion for long'

"The takeover was mainly caused by the needs of certain political personalities to take control of power for personal reasons, but this is politics.

"Race and religion were used to justify their actions because these were convenient narratives. Throughout the world, we are witnessing the same mentality being used to wield political power – driving the majority to fear

minority groups and then blaming minorities for any troubles that arise," he said.

"Perikatan Nasional was hitting out at DAP to win support from the Malays who may swallow that rhetoric.

"However, I don't think that you can use race and religion for long in the place of economic and social policies. After a while, the people want to know how the government plans to put food on the table, a roof over their heads, educate their children, and take care of their future.

"Their tactics can only be rendered ineffective if and when the Malays themselves realise that nobody can undermine their positions, except they themselves," Daim added.

He said education is the best method to combat the racial and religious cards played by these parties.

"Our future should be based on an education system which should teach the young Malaysian consciousness, to act and behave as Malaysians and to get to know the various cultures and celebrate them together so that Malaysians understand each other," he said.

Daim is confident that Malaysian voters, especially younger ones, will be able to see through the racial rhetoric by parties such as Umno and PAS.

PN came into power through the defections of about 40 MPs from Harapan which started during the Feb 23 political coup dubbed the “Sheraton Move”.

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