

Najib says economy out of recession
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The economy has recovered from the global crisis and could expand by 5 percent this year, premier Najib Razak said today after announcing strong growth in the three months to December.

The fourth quarter expansion of 4.5 percent was much healthier than expected, and represented a rebound after three consecutive quarters of contraction.

"Overall, the Malaysian economy has turned around and recovered from the implications of the global crisis," Najib told a press conference.

The premier credited stronger external and domestic demand, stimulus spending, measures to ensure access to financing, and "accommodative" monetary policy for the resumption of growth.

"For the year 2009, the economy contracted by 1.7 percent, lower than negative three or four percent that was projected earlier," he said.

"The accelerated implementation of the government's two stimulus packages has been a key factor in contributing to the economic recovery."

Asked whether Malaysia can achieve 5 percent growth for 2010, Najib replied "Yes".

"We are quite bullish about it. Earlier we forecast 4 percent, I hope we can achieve 1 to 2 percent above it. I'm going all-out to generate confidence and speedy implementation of projects," he said.

Exports recovered

Najib said that Malaysia's exports, which the economy is reliant on, recovered to expand by 5.1 percent in the fourth quarter compared to a 22.4 percent contraction in the previous quarter.

The central bank said the country's economy is benefiting from an improvement in external demand, particularly from regional economies, and stronger commodity prices.

"The improvement experienced in the second half of 2009 is expected to strengthen in 2010," Bank Negara said in a statement.

"Higher domestic demand, particularly private consumption spending, is expected given the stable labour market conditions, improved consumer and business confidence, and continued access to financing.

"Further improvements in external demand, following the gradual recovery in the global economy, is also expected to provide further impetus to the domestic economy."

- AFP