

Malaysia on Target for 6 Percent Growth
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KUALA LUMPUR, -- Malaysia has the potential to achieve over six per cent growth this year, said OSK-UOB Unit Trust Management Bhd chief executive officer Ho Seng Yee.

"Once the projects under the New Economic Model (NEM) and the Economic Transformation Programme (ETP) are successfully implemented and the timeline met, there is a high possibility of recording over six per cent growth," he told reporters after the launch of OSK-UOB Asia Financials Fund here today.

Malaysia is forecast to register below six per cent growth in 2010. Under the NEM, Malaysia needs six per cent annual growth in order to achieve high-income economy by 2020.

Ho said Malaysia economy has done well and the market would continue to perform because of ample liquidity, entry of foreign investors and the projects the government proposed to implement.

He said the ETP would spur Malaysia's economy to the next level with the infrastructure, oil and gas, plantation and banking sectors driving the growth.

"On average, we expect earnings per share to rise to about 13-15 per cent this year and will easily boost the FTSE Bursa Malaysia KLCI up to 1,700," he said.

Ho said the overnight policy rate in the first quarter of this year was expected to remain unchanged at 2.75 per cent.

He said OSK expected another 25-50 basis points increase in the OPR this year, which indicated Malaysia's economy was expected to perform well with small increase in inflation.

(Bernama)