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Projected GDP still 6%

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Abdullah: Our economic situation strong, backed by ample reserves

KUALA LUMPUR: The Government does not see a need to revise the projected 6% gross domestic product growth for this year despite the volatile global stock market.

Prime Minister Datuk Seri Abdullah Ahmad Badawi said the Government was prepared to face the external negative effects of the global economic conditions.

"We are watching it very closely," he said of the subprime loan woes in the United States.

(Subprime loans refer to loans

given to borrowers who have limited or poor credit history in terms of their years of employment, income level, ownership of assets or a record of previous loan defaults. Such loans were developed in the early 1990s to help such borrowers obtain housing loans, and the volume of these loans increased rapidly to spark a housing boom in the United States, until recently.)

Abdullah said Bank Negara had briefed him that Malaysia's economic situation was strong, backed

by ample reserves.

"Our fundamentals make us stronger and better able to face events in the United States that can affect our economy," he said.

On Dubai-based Jebel Ali Free Zone's (Jafza) decision to pull out of the management of the Port Klang Free Zone (PKFZ), Abdullah said he had met Jafza officials but the meeting was "a long time ago and not because of problems" at the port.

Asked to comment on a news report that red tape, political med-

dling, inaccurate minutes and attempted tax evasion were the reason for the collapse of the PKFZ, he said there was a joint venture set up for the development of the port which involved a Dubai-based company.

"I won't make a statement until I know more," Abdullah said.

On information that Jafza had corresponded with Transport Minister Datuk Seri Chan Kong Choy on the problems, Abdullah said he would ask Chan what was happening.