

6 per cent growth this year

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KUALA LUMPUR: The Malaysian economy is poised to grow by six per cent this year from 5.9 last year.

Bank Negara Governor Tan Sri Dr Zeti Akhtar Aziz said yesterday domestic demand, which would remain resilient, would continue to drive economic growth this year.

"While the private sector, particularly private investment, continues to provide the impetus, the public sector is expected to play a more significant role in 2007," she told a Press conference after releasing Bank Negara's Annual Report 2006.

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*Tan Sri Zeti Akhtar Aziz
Bank Negara Governor*



tion sectors are expected to turn around with positive growth this year.

The construction sector, in particular, would benefit

from higher public expenditure on Ninth Malaysia Plan projects as well as strong demand in the non-residential properties segment.

The electrical and electronics sector is expected to moderate in the first half of the year before picking up in the later part of the year.

Zeti said that although demand from overseas was expected to moderate this year, growth in the Asian region was expected to remain favourable, supported by domestic demand particularly in China and India.

The manufacturing sector is envisaged to record a sustainable expansion of 6.6 per cent, from seven per cent last year, supported by resource-oriented industries and industries related to the construction sector.

In the services sector, growth will be underpinned by

the finance, insurance, real estate and business services sub-sectors, with higher contributions from the Islamic financial services sector and the newly-formed investment banks.

The sector's growth at 6.3 per cent would be further spurred by the expected higher tourist arrivals during the Visit Malaysia 2007, Zeti said.

Meanwhile, the agriculture sector is expected to grow at a moderate pace of 3.2 per cent this year while commodities are expected to benefit from the continued high prices.

Zeti also said that inflation was expected to moderate to average between two and 2.5 per cent this year.