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Economy remains robust despite global crisis, says PM

MALAYSIA expects up to seven per cent gross domestic product growth this year despite challenging global economic conditions.

Prime Minister Datuk Seri Najib said despite the recent global crisis, the local economy remained robust and resilient.

"I am heartened that the economy has rebounded, achieving 8.1 per

cent growth in the first three quarters of the year.

"For the full year, we expect to exceed our six to seven per cent or more annual growth target," Najib said in his speech in Putrajaya yesterday after unveiling the second and final report of the New Economic Model.

Najib, however, cautioned that a

growth of six per cent was the bare minimum average required to meet the goal to become a high-income nation.

"Unfortunately, there is much uncertainty in the global economic recovery and that is bound to affect a small, open and trade-reliant country like Malaysia."

He said the pace of growth was

slowing once again, as signs of weakening were emerging in external conditions.

The economy grew 10.1 per cent in the first quarter and 8.9 per cent in the second quarter, but only 5.3 per cent in the third quarter.

"We need to be in a position to counter the cyclical performance of world markets. To do this, we must

maintain growth levels in excess of six per cent, so we can build up reserves to buffer the inevitable under-performing years," said Najib.

"It will take quite some time before the advanced economies, many of which are the main destinations for Malaysia's exports, can once again achieve the growth rates they had before the crisis."