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PRIME NEWS

Wahid is panel chief

ENTRUSTED: Special Economic Committee to start work next week, says Najib

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THE government yesterday named members of the high-powered Special Economic Committee that will formulate policies to help the nation avert the fallout from the impending global economic crisis.

Prime Minister Datuk Seri Najib Razak said the panel, comprising top economists and bankers, would meet once a week or as frequently as possible starting next week to consider short- and medium-term measures to strengthen the economy.

The 10-member panel will examine issues such as the ringgit's stability, maintaining the stability of the financial market and strengthening investor confidence in the capital market.

"The uncertainties in the global environment require a more responsive and firm action," Najib said at his office here.

"The government is committed to dealing and minimising any impact

from global conditions on the country's real economy."

The committee, which will specifically handle the current economic situation, will report directly to Najib, who is also finance minister.

Najib said the long-established Economic Council, which he chairs and which meets weekly, would continue to function, as its focused on wider economic issues.

The special committee will have its hands full. The biggest sources of global concerns are China's slowdown, weakening currencies and the sharp drop in world oil prices.

Business leaders and economists, in lauding the formation of the panel, said it should restore business confidence and come up with specific measures to stimulate the economy.

China's turbulent stock markets fell again yesterday, as a series of central bank stimulus failed to convince investors of Beijing's ability to pull the world's second-largest economy out of its slowdown.

After watching share prices tumble around 25 per cent in little more

than a week, the People's Bank of China re-entered the fray late on Tuesday, cutting interest rates and further loosening bank lending restrictions. However, world shares fell yesterday as investors feared fresh rate cuts in China might not be enough to stabilise its slowing economy or halt a stocks collapse, which is wreaking havoc in global markets.

"The root of this is concern that growth in China might be a lot lower than what the market had thought," Reuters quoted Michael Bolliger, head of emerging market asset allocation at UBS Wealth Management in Zurich, Switzerland, as saying.

Najib said Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar, a former banker, would head the committee.

Other panel members are:
KHAZANAH Nasional Bhd deputy chairman Tan Sri Nor Mohamed Yakcop;

KHAZANAH managing director Tan Sri Azman Mokhtar;

CHINA Banking Regulatory Commission chief adviser Tan Sri Andrew Sheng;

SYMPHONY Life Bhd executive chairman Tan Sri Mohamed Azman Yahya;

CIMB Group chairman Datuk Seri Nazir Razak;

RAM Holdings Bhd group chief executive officer Datuk Seri Dr K. Govindan;

UNIVERSITI Kebangsaan Malaysia Vice-Chancellor Professor Datuk Dr Noor Azlan Ghazali;

ASSOCIATION of Banks in Malaysia chairman and Maybank Group chief executive officer Datuk Abdul Farid Alias; and,

FEDERATION of Malaysian Manufacturers president Datuk Seri Saw Choo Boon.

The committee will be under a secretariat in the Economic Planning Unit (EPU), where its deputy director-general, Datuk K. Yogeeswaran, will be head.

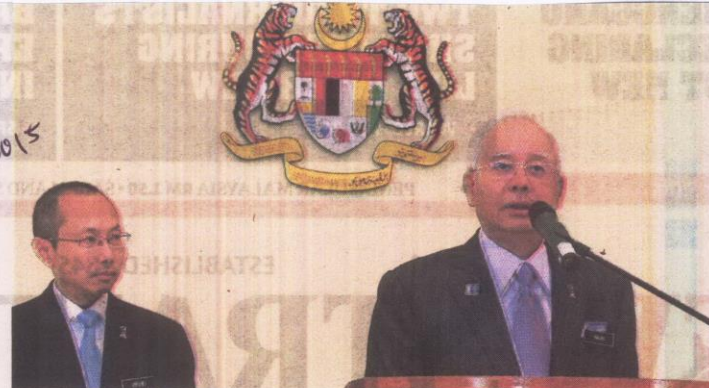
Najib said top officers from the Finance Ministry, Bank Negara Malaysia, International Trade and Industry Ministry, Securities Commission, Prime Minister's Office and Economic Planning Committee, as well as EPU, would be ex-officio

members. He said relevant groups would be invited to discussions on policy issues and to resolve operational matters or address issues that hindered economic growth.

Meanwhile, Najib, on his blog NajibRazak.com, said he held a discussion on the economic situation and ringgit with chairmen, chief executive officers and senior officers of government-linked investment companies, such as Retirement Fund Incorporated, Employees Provident Fund, Lembaga Tabung Haji, Petronas, Permodalan Nasional Bhd and Khazanah.

"Before this, I met chief economists and senior analysts from financial institutions, such as JPMorgan, Standard Chartered, Credit Suisse, CIMB, RHB, Maybank, Bank Islam, MIER and Malaysian Rating Corporation Bhd.

"We are aware of the current situation, and agree that our economic foundation and fundamentals remain strong and the situation is different from the crisis in 1997/98. Several short-term measures were proposed during our meeting."



Prime Minister **Datuk Seri Najib Razak** and Minister in the Prime Minister's Department **Datuk Seri Abdul Wahid Omar** at a press conference on the **Special Economic Committee** in Putrajaya yesterday. Pic by Mohd Fadli Hamzah

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