

Malaysia on the right track, says Wall Street Journal
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PETALING JAYA: Malaysia is witnessing a commendable momentum in economic growth which the country needs to sustain in light of the potential impact from weak global trade and domestic political uncertainties.

An article in the *Wall Street Journal* website titled "Malaysia's Days in the Sun" cited a buzz of excitement among foreign investors in Malaysia due to a recent string of good news in business and economics usually generated in global financial centres.

"New York, Hong Kong, London...Kuala Lumpur? Malaysia is going gangbusters. Now, it must sustain the momentum," the international business newspaper said.

Among key recent events in Malaysia which the newspaper article cited was the US\$3.3bil (RM10bil) listing of Felda Global Ventures Berhad, which will be followed by IHH Healthcare's US\$2bil (RM6.3bil) initial public offering (IPO), the world's second and third largest IPOs this year.

Malaysia's benchmark KLCI index also hit a record on Wednesday after rising almost 7% this year, the article noted.

The country's economy was also praised, due to low unemployment, a benign inflation of about 2% and gross domestic product growth expected to be around 5% this year.

Malaysia's banks also looked healthy with strong asset quality, with deleveraging by European banks posing no big threat, the article said, citing a report by rating company Moody's.

The article, however, warned of external and domestic risks which Malaysia needed to deal with.

It said a prolonged slump in global trade would hurt, as Malaysia's net exports were equal to about 16% of GDP, much higher than the ratio for neighbours such as Indonesia and the Philippines.

On the domestic front, the newspaper said foreign investors were hoping that Prime Minister Datuk Seri Najib Tun Razak's agenda to improve infrastructure and boost investment, including in oil and gas and tourism, would stay on track regardless of the outcome of the next general election.

"Malaysia has momentum. But much now depends on domestic politics and the depth of the weakness in global trade," the article said.

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