

Malaysia Trade Min Says Economy Can Grow by 5-6 pct

September 10, 2008

SINGAPORE - Malaysia's economy will be able to grow by 5 to 6 percent annually despite global uncertainties, International Trade and Industry Minister Muhyiddin Yassin said on Wednesday.

'Investments seem to be coming in...while there are uncertainties on the global front, Malaysia can sustain 5-6 percent average growth,' Muhyiddin said during a Forbes conference in Singapore.

Malaysia's gross domestic product is expected to expand at a more moderate pace of 5.7 percent for the whole of 2008 after growing 6.3 percent in 2007 and 6.7 percent in the first half of this year, he added.

Malaysian exports in July rose 25.4 percent from a year earlier, the quickest pace in nearly four years, bucking the regional trend due to a surge in palm oil exports.

But growth was likely to slow in coming months as palm oil prices fall and electronics exports weaken amid an uncertain global economic outlook.

Muhyiddin said palm oil prices were still high compared with two to three years ago and would likely stabilise around current levels as global demand for edible oils remains on an uptrend.

The recent drop in palm oil prices may also resurrect regional biodiesel projects that had been put on hold because of the sharp rise in the vegetable oil, he added.

Source: Reuters