

icapital: Reforms critical to Malaysia's economy

KUALA LUMPUR: icapital.biz Bhd is "tentatively optimistic" of Malaysia's economy which has so far remained resilient.

Its managing director Tan Teng Boo said Malaysia's economic growth had been sustained by exports of commodities and this was not sustainable in view of the impending global economic downturn. In a severe global economic

downturn, he said, the country would not be spared.

It was reported that commodity prices tumbled in September due to the weakening global stock markets amid a deepening eurozone debt crisis and fears of an impending global recession.

"As the economy would be affected by troubles in the global economy and

markets, the Malaysian stock market could be in a bearish mood for the next 12 to 18 months," Tan said.

Nevertheless, he said: "The Malaysian economy has potential and it needs reform to unleash the sleeping economic giant.

"The successful implementation of reform measures initiated by Prime Minister Datuk Seri Najib Tun Razak is

extremely critical to unleash Malaysia's economic potential and boost its competitiveness."

In a media briefing here, he said the reform measures to turn around Malaysia's economy would face major opposition.

"Another worrisome factor is that the high budget deficit in Malaysia is not at a comfortable level," he said.