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Daim says oil price rebound in June, Malaysia can meet challenge



Former Finance Minister Tun Daim Zainuddin (pic) said, however, crude oil price would not return to US\$100 per barrel as previously, and US\$65 to US\$70 would be good enough for this year.

KUALA LUMPUR: Growing demand from China, India and Africa is expected to lift crude oil price to between US\$65 and US\$70 per barrel this year with the rebound expected in June.

Former Finance Minister Tun Daim Zainuddin (*pic*) said, however, crude oil price would not return to US\$100 per barrel as previously, and US\$65 to US\$70 would be good enough for this year.

He told reporters this on the sidelines of the Affin Hwang Capital Conference Series 2015 here yesterday.

According to Daim, the decline in oil price is not anticipated to be long-term and Malaysia should be able to overcome the challenges related to the situation.

He said the current challenge was to make strategic policy decisions in the face of uncertainty and stress.

On 1Malaysia Development Bhd (1MDB), he said the Government needed to clear some of the confusion surrounding it.

1MDB is a Federal Government sponsored entity that was set up to drive projects that brought about high impact to the country. It is involved in power generation and property developments.

However, it has often hogged the limelight for its debt of more than RM40bil although it has assets of more than RM50bil.

There has also been no progress on 1MDB's plans to list its power generation unit which was initially scheduled for the first quarter of this year.

About 350 participants attended the one-day conference which featured speakers from among policy makers.

Meanwhile, deputy minister of International Trade and Industry, Datuk Ir Hamim Samuri, said the plunge in global oil prices would not impact the implementation of the Asean Economic Community (AEC).

He said plans for Asean to declare itself as a single economic community were moving ahead with speed.

"We are convinced that even the global slump in oil prices will not have an adverse effect towards the realisation of the AEC," he said at the conference.

Hamim said Malaysia, as chair of Asean for 2015, was focused on realising the AEC by year-end.

"We aim for Asean member states to complete 95% of the integration measures by that date," he said.

He said the potentials for Asean were enormous and if combined with the conclusion of negotiations for the Regional Comprehensive Economic Partnership (RCEP), the region's future economic growth would be bright.

"RCEP involves nations with a combined gross domestic product of US\$17 trillion, which is larger than the United States's or the European Union's economy," he said.

RCEP, formally launched in 2012, is a proposed free trade agreement (FTA) between Asean members and the six states with which Asean has existing FTAs (Australia, China, India, Japan, South Korea and New Zealand).