PM: Budget will help Malaysia face global slowdown

KUALA LUMPUR — The Budget 2017, to be presented in Parliament on Friday, will include measures to strengthen and move the economy forward to face the global slowdown.

Prime Minister Datuk Seri Najib Razak said the government would also focus on industries reeling from the sluggish global economy which had impacted international trade.

"Thus, the planning process for the 2017 Budget has taken several measures to advance the economy with the aim of enhancing the peoples' prosperity in a fair and inclusive manner," he told Dr Tan Seng Giaw (DAP-Kepong) in the Dewan Rakyat yesterday.

Dr Tan had asked about the current status of the economy and steps taken to counter the impact of external factors.

Najib, who is also the finance minister, said Malaysia recorded a Gross Domestic Product growth of five per cent in 2015, which far exceeded that of Indonesia (4.8 per cent), Thailand (2.8 per cent) and South Korea (2.6 per cent).

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>
> *– Najib*

Malaysia's economic growth was far better than the global economic growth of 3.2 per cent registered last year, he said.

He said the economy grew 4.1 per cent in the first half of this year and was forecast to register a growth of between 4.0 and 4.5 per cent in 2016.

Najib said this year's GDP growth was forecast lower than 2015's growth of 5.0 per cent as global economic momentum had slowed down while Malaysia's imports had also decreased.

In addition, weakness in international markets coupled with Britain's exit from Europe and global uncertainties contributed to lower prices for crude oil, gas, palm oil and minerals.

However, he said, said the government was committed to reduce Malaysia's fiscal deficit to 3.1 per cent this year from 3.2 per cent in 2015.

"Out commitment to reduce the fiscal deficit is not an easy task. It requires high fiscal discipline and prudent spending," he said.

Government spending right now was focused on attracting high-impact investments which can enhance the country's competitiveness and spur economic growth in the future.

"It's clear that government action, thus far, has succeeded in maintaining economic growth momentum, thanks to strong domestic demand coupled with low inflation and unemployment rate," Najib added. — Bernama

AT THE DEWAN RAKYAT