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Deficit would have been higher without GST, says Najib

PUTRAJAYA: Malaysia has been spared a worse economic backlash, including a higher deficit and a weaker ringgit, because of the Goods and Services Tax.

Prime Minister Datuk Seri Najib said he had been told by Bank Negara Governor Datuk Muhammad Ibrahim yesterday that the country's firm fundamentals and revenue collected from various taxes and duties, including GST, had allowed the nation to ride out the uncertain global economic

climate.

"I was told that Malaysia is lucky⁺ to have GST.

"Otherwise, the country's deficit may rise between six and seven per cent compared with the current 3.1 per cent.

"And, the ringgit may be weaker, perhaps around RM6 or RM7 than what it is now, at about RM4.45 against the US dollar," he said at the Customs Department appreciation night.

Najib, who is also finance minister, said the government's decision to implement GST was done at the right time.

Later in **Kuala Lumpur**, Najib said the economy was growing at an encouraging pace with efforts under way to make it more robust.

In his Facebook posting, he uploaded pictures of him being briefed by Muhammad, alongside Second Finance Minister Datuk Seri Johari Abdul Ghani, Minister in the Prime Minister's Department Datuk Seri Abdul Rahman Dahlan and Chief Secretary to the Government Tan Sri Dr Ali Hamsa.

"I received a briefing on the country's latest economic development by BNM. *Alhamdulillah*, the statistics showed encouraging numbers.

“There are several indicators showing that some improvements are needed and we will increase our efforts and focus on these sectors.”

He said they discussed policies and the foundations of the economic structure to strengthen the economy.
