Talking Points: Konsultasi Bajet 2017 Kementerian Kewangan

Khamis, Jun 16 2016

TALKING POINTS
YAB DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
PERDANA MENTERI DAN MENTERI KEWANGAN
DI MAJLIS
KONSULTASI BAJET 2017
KEMENTERIAN KEWANGAN
16 JUN 2016 (KHAMIS), JAM 9.30 PAGI

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh dan Salam 1Malaysia.

Yang Berhormat Dato' Seri Ahmad Husni Mohamad Hanadzlah;
Menteri Kewangan II,

Yang Berhormat Datuk Chua Tee Yong;
Timbalan Menteri Kewangan I,

Yang Berhormat Datuk Johari Abdul Ghani;
Timbalan Menteri Kewangan II,

Yang Berbahagia Tan Sri Dr Ali Hamsa;
Ketua Setiausaha Negara,

Yang Berbahagia Tan Sri Dr Mohd Irwan Serigar Abdullah;
Ketua Setiausaha Perbendaharaan,

Yang Berbahagia Datuk Muhammad Ibrahim;
Gabenor Bank Negara Malaysia,

Tuan-tuan dan Puan-puan yang saya hormati sekalian,

1. Selamat datang ke Majlis Konsultasi Bajet 2017. Bersyukur ke hadrat Allah SWT kerana dengan izin dan limpah kurniaNya, kita dapat bersama dalam Majlis pada pagi ini. Dalam bulan Ramadhan yang mulia ini, saya ingin mengambil kesempatan untuk mengucapkan Selamat Berpuasa kepada semua umat Islam. Saya juga ingin merakamkan setinggi-tinggi penghargaan kepada semua pihak yang telah mengemukakan memorandum yang mengandungi cadangan yang bernas dan pragmatik sebagai input bagi penyediaan Bajet 2017.

Tuan-tuan dan Puan-puan sekalian,

2. Majlis ini merupakan satu lagi platform dalam usaha Kerajaan untuk melipatgandakan engagement atau perundingan dan perbincangan bersama rakyat, sektor swasta, dan pertubuhan bukan kerajaan (NGO). Hari ini kita akan berpeluang mendengar cadangan dan pandangan sektor swasta serta NGO dalam usaha bersama Kerajaan bagi menjana kesejahteraan dan kemakmuran negara.

3. Saya juga dimaklumkan bahawa lebih daripada 90 institusi telah mengemukakan memorandum masing-masing yang meliputi isu-isu makro, sektoral dan sosial. Besarlah harapan saya agar memorandum yang dikemukakan serta perbincangan pada pagi ini akan dapat mencetus idea baharu bagi merancakkan lagi usaha transformasi negara sebagai sebuah negara maju yang inklusif dan mampan (advanced) menjelang tahun 2020. Justeru, setiap isu yang dibangkitkan dan cadangan yang dikemukakan akan diteliti serta diperhalusi, seterusnya dibincangkan dalam mesyuarat Focus Group yang akan diadakan tidak lama lagi dan dipertimbangkan dalam penyediaan Bajet 2017.

Ladies and gentlemen,

4. The National Transformation Policy, or NTP, has ensured that our economy remains competitive and resilient. The NTP programmes have strengthened the fundamentals of our economy and led Malaysia to be highly rated in a series of surveys by the world's leading institutions.

5. These include the World Bank's Doing Business Report 2016, in which we were ranked 18th out of 189 countries surveyed. We were also in the top 20 in the World Economic Forum's Global Competitiveness Report 2015 – 2016.

6. And in the third edition of the Global Infrastructure Investment Index 2016, our ranking has improved from seventh to fifth place, with Malaysia being named the second most attractive country for infrastructure investment in Asia.

7. I am also pleased to announce that per capita income has increased by 46 percent from RM 24,879 (or $ 7,104) in 2009, to RM 36,293 (or $ 9,208) in 2015.

8. Over the same period, an additional 5.5 million Malaysians gained access to basic necessities such as clean water, 24 hour electricity, and roads that connect them to towns.

9. Hard core poverty stood at 0.7 percent in 2009. It has now been almost totally eradicated, with absolute poverty declined from 3.8 percent in 2009 to less than one percent today. These efforts have been recognised around the world. The World Bank calls Malaysia a “success story in shared prosperity”.

However, ladies and gentlemen,

10. As an open economy and a trading nation, we are exposed to global shocks and volatilities, and we have to be proactive and agile in facing these challenges. We need to find more innovative ways to deal with a more complex and competitive environment.

11. We have already taken a number of measures to deal with what have been very uncertain times. We established the National Export Council in December 2014 to boost our competitiveness and steer export growth. In fact we had an important meeting two days ago where some important decisions were made.

12. We formed the Special Economic Committee in August 2015 and we have engaged with leaders and experts from across society to help guide our direction.

13. The introduction of GST was indeed timely. In fact, it was our saviour when oil revenues dropped more drastically than anyone could have imagined.

14. But given the lower global crude oil prices and continued weak external economic environment, we believed it prudent to recalibrate the 2016 Budget in line with these developments, and on 28 January we did so. After taking into account these circumstances, this year’s growth projection was revised to between 4 percent and 4.5 percent.

15. Already we have registered growth of 4.2 percent in the first quarter of 2016. Our nimble and timely response has ensured that the economy remains on a trajectory that will safeguard the welfare and well-being of the rakyat.

16. Growth was supported by strong domestic economic activities, particularly private investment and consumption. At the same time, projects such as the LRT, the MRT, the Pengerang complex in Johor, and the Pan Borneo Highway are not only still ongoing, but they will support continued and increased growth in the future.

Ladies and gentlemen,

17. The Government remains committed to ensuring that its fiscal position remains strong. The fiscal deficit was 6.7 percent of GDP in 2009. Since then we have consistently reduced it year by year, and in 2015, it stood at 3.2 percent. Our target this year is 3.1 percent, with the aim of achieving a balanced budget by 2020.

18. Our efforts and persistence have not gone unnoticed. Despite the challenging conditions, we have been accorded class “A” investment grade ratings from leading international rating agencies, such as Fitch, Standard & Poor’s and Moody’s.

19. Earlier this year, the ringgit was Asia’s best performing currency – a turnaround from what some doom mongers were saying last year! The KL Stock Exchange is still home to the world’s longest bull market.

20. Furthermore, the strong net inflow of foreign direct investment has increased from RM9.9 billion in the first quarter of 2015, to RM15 billion in the first quarter of 2016. This is testament to investors’ confidence in Malaysia.

21. We have made significant strides, but these achievements do not mean that we can rest on our laurels. In its latest World Economic Outlook, the IMF forecast that 2017 will be an equally challenging year. Global growth is expected to improve only marginally from 3.2 percent in 2016 to 3.5 percent.

22. Therefore, in order for the Malaysian economy to remain on track, we have to depend on the domestic economy. This is why I believe we must fully embrace the opportunities brought about by information and communication technology, or ICT.

23. We must leverage the transformative power of science and technology, and instil the spirit of innovation and creativity among our entrepreneurs to further energise the domestic economy. There is talk about the Fourth Industrial Revolution, which depicts digital revolution and characterized by cyber physical system. The Revolution is enabled by the popularization of mobile devices; unprecedented processing power; storage capacity; and access to knowledge.

24. Thus, we need to capitalise on the digital and sharing economy that is becoming ever-more important. These efforts will enable us to strengthen our growth momentum and be ready when the global economy fully recovers.

25. Increasing the labour productivity rate is also key to our target of becoming a high income status nation by 2020. We must provide opportunities for people to reskill and to upskill.

26. Malaysia has to be an even more attractive destination for foreign talent. And we will continue with all efforts to encourage women to take their rightful place in the workplace – and in the boardroom.

Ladies and gentleman,

27. This big task is not just a matter for the Government. The private sector, NGOs and most importantly the rakyat must also play a vital role. We need to further strengthen that partnership, so that we are united in making Malaysia a better place for each and every one of the rakyat.

Ladies and gentlemen,

28. The theme for this year's Budget Consultation is Accelerating Growth, Ensuring Fiscal Prudence, Enhancing Well-being of the Rakyat or "Merancakkan Pertumbuhan, Memastikan Pengurusan Fiskal Berhemat, Meningkatkan Kesejahteraan Rakyat".

29. In essence, that reflects the need to balance promoting growth with ensuring fiscal sustainability. The ultimate purpose of this strategy is to protect the welfare and well-being of the rakyat as well as empower them to realise their true potential.

30. In this regard, we have invited seven prominent speakers who will be sharing their views on how best the Government can put this strategy into operation.

I look forward to a frank and productive discussion this morning.

Thank you.