

What Najib said on TV3 last night
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Following is a snapshot of the Prime Minister Najib Razak's interview on TV3's 'Soal Jawab' programme on the country's economic development and financial position hosted by Khazanah Nasional Bhd executive director Charon Mokhzani, last night.

- For the first nine months of 2014, Malaysia recorded the highest economic growth rate among Asian countries.
- The actual situation that needed to be understood on the impact of external shocks experienced is that it is not like a crisis or a recession that Malaysia had gone through before, but rather circumstances that called for adjustments.
- The development expenditure of RM48.5 billion allocated in the 2015 Budget has not changed and will continue to be spent.
- The operating expenditure will be reduced by RM5.5 billion in order for the reduction in revenue to be accommodated.
- The government obtains savings from not having to fork out subsidies for petrol and diesel, but the country is still in deficit and needs measures to reduce the operating expenditure.
- The government made a reality check by changing the projection of the country's deficit to 3.2 per cent from the original forecast of three per cent.
- In the long run, the government will remain committed to achieving the target of a balanced budget by 2020.
- The RM8.3 billion deficit will be accommodated through measures presented (in the prime minister's special address on the country's economic developments and financial position on Jan 20).
- The sharp decline in oil prices is beyond the jurisdiction of the government, even beyond the ability of oil producing countries such as Russia, and the Organisation of the Petroleum Producing Countries (OPEC).
- The perception that Malaysia is a surplus oil producing country is inaccurate. It only has a surplus if LNG exports are taken into account.
- The oil sector is still the country's strategic sector, but its dependence has been reduced.
- The government has carried out a well-thought-out economic diversification plan in 2009

by introducing policies and focused areas in the ETP, GTP and NKEA.

- On weakening of the ringgit, the government will continue to focus on strengthening the fundamentals of the economy such as fiscal deficit and wooing investors.

- The ringgit will be going through a process of adjustment in accordance with the fundamentals and the sentiment will be more positive.

- The projected inflation for 2015 is expected to fall around between 2.5 and 3.5 per cent, including upon the Goods and Services Tax (GST) implementation.

- Excess disposable income together with reduced petrol and diesel prices will help consumers make purchases with bigger value.

- The GST implementation on April 1 is the best time to do so as the inflation rate is relatively low and the country needs additional revenue.

- More effective enforcement is needed while consumers need to spend wisely to help control prices.

- Malaysian exporters, including small and medium enterprises, need to take advantage of the Asean Economic Community.

- Malaysia cannot yet accept the Trans-Pacific Partnership Agreement as long as it is not based on the terms and conditions agreed upon.

- The projected Gross Domestic Product for 2015 has been revised to between 4.5 and 5.5 per cent after taking into account the effects of falling oil prices and the world's economic condition, and the global economic growth revised by the World Bank and the International Monetary Fund.

- There is no likelihood of retrenchment. The number of jobs will definitely increase but its growth rate is likely to be affected by the lower global economic growth.

- 1Malaysia Development Bhd (1MDB): The government's capital injection was merely RM1 million. 1MDB's assets now exceed RM50 billion.

- 1MDB's assets exceed its liabilities, and it has plans to make an initial public offering of its energy unit.

- The prime minister is still confident of 1MDB's board of directors, existing leadership, particularly new members of the management team.

- In the long run, 1MDB will bring many benefits to the country.

- Floods: On Jan 29, a housing scheme will be launched in Kuala Krai, Kelantan as an

example of houses to be built for flood victims.

- The latest estimates of infrastructure damage caused by floods rose to an early RM2.9 billion.

- As pro-active measures to address terrorism, a new anti-terrorism bill will be tabled in Parliament in March to give more teeth in the fight against terrorism.

- The Sedition Act will be retained to protect all Malaysians.

- Negative comments levelled against the government on social media proved that freedom of expression and a healthy democracy are still flourishing in Malaysia.

- All Malaysians must work together to help realise Malaysia's vision to become a developed nation by 2020.

- Short-term adjustments do not mean that the country has abandoned its long-term objectives.

- Bernama

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