

Najib: Fitch ratings reflect our financial capabilities

MalaysiaKini.com

July 1, 2015

Malaysia's outlook revision by Fitch, from negative to stable, is a reflection of the government's financial management capabilities, says Prime Minister Najib Abdul Razak.

"In view of the many uncertainties in the external sector, the newly-announced ratings are indeed a reflection of our government's financial management and economic policies," Najib (photo) said in a Facebook posting today.

The ratings revision yesterday overturns a "negative" outlook Fitch attached to Malaysia in July 2013.

In a statement today, Fitch said Malaysia's fiscal finances have improved and views progress on the goods and services tax (GST) and fuel subsidy reform as supportive of the fiscal finances.

The ratings agency also maintained Malaysia's long-term foreign currency issuer default rating (IDR) at A- and local currency at A.

Nevertheless, it said Malaysia's fiscal position remained weak.

Not an indicator of good governance

Kelana Jaya MP Wong Chen (photo) said this meant the report was not a pat on the back for the BN government.

"Fitch's assessment is not an indicator of good governance of the economy and is therefore not an endorsement of good governance by the Najib administration.

"The GST has essentially saved the Umno-BN government from the threat of downgrade, but at the full expense of the rakyat.

"The rakyat is made to cough up RM15 billion extra to pay the mountain of debts that the Umno-BN government created," Wong said in a statement today.

He added that unless the government tackles corruption and wastage seriously, Malaysia's ratings would not improve.

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Source : <http://www.malaysiakini.com/news/303651>