

M'sian economy influenced by outside factors, says PM
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Prime Minister Najib Abdul Razak said outside factors which are beyond Malaysia's control will influence the national economy instead of the mistakes or weaknesses of the country.

Najib, who is also Finance Minister, said these factors included the world oil prices, hike in interest rates in the United States and China's economic slowdown.

"We are facing a challenging situation. The economic issues are circulating as the main issues among the people.

"All must understand that they are not our mistakes, not our weaknesses but due to factors outside our control. As such, when we enter 2016, we must focus on what we can do as a nation, government and administration," he said at the first monthly meeting of the Prime Minister's Department this year in Putrajaya today.

Also present were the ministers and deputy ministers in the department, chief secretary to the government Ali Hamsa, and Public Services Department director-general Mohamad Zabidi Zainal.

During the gathering, Najib explained the impact of the significant drop in the Brent crude oil prices which plunged from about US\$100 a barrel to between US\$32 and US\$33 a barrel, currently.

"Definitely, it impacts on us as an oil producer. I have announced its impact in the RM30 billion shortages in national revenue.

"We placed the oil price at US\$48 a barrel when we tabled the budget but now it had plunged to between US\$32 and US\$33 a barrel. With this, we must recalibrate the 2016 Budget," he said.

He also said the move by the United State's Federal Reserve to normalise the interest rate had made the US dollar stronger compared to the value of currencies worldwide, including the ringgit.

In addition, he said, China's economic slowdown also impacted the Malaysian economy.

As an example, he said a reduction in the purchase of cars would cause a reduction in the purchase of tyres and a reduction in the purchase of rubber.

- Bernama