

Budget revision expected to save RM9b

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The government has unveiled 11 restructuring measures and adjustments to the Budget 2016 which is expected to save RM9 billion in operating and development expenditures as announced in October 2015.

The government had previously announced an allocation of RM267.2 billion in Budget 2016, of which operating expenditure amounted to RM215 billion while development expenditure amounted to RM49 billion.

Presenting the recalibrated Budget 2016 in Putrajaya today, Prime Minister Najib Abdul Razak said the deficit target of 3.1 percent for 2016 remained at 3.1 percent of the gross domestic product (GDP) as announced previously.

He stressed that Malaysia was not facing a recession or a technical recession.

However, the projected GDP growth in 2016 was revised to between 4.0 and 4.5 percent, based on assumed average Brent crude prices of between US\$30 and US\$35 per barrel.

Najib said the national debt would continue to decrease and would not exceed the prudent level of 55 percent of GDP.

The national monetary policy is accommodative, while interest rates are maintained at the levels to support economic activities.

This means the government will not impose capital control and peg the ringgit.

- Bernama

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